



February 11, 2005

SENATE BILL No. 496

DIGEST OF SB 496 (Updated February 9, 2005 1:08 pm - DI 44)

Citations Affected: IC 4-33; IC 5-1; IC 6-1.1; IC 6-1.5; IC 6-3.1; IC 6-3.5; IC 20-14; IC 36-1; IC 36-7; noncode.

Synopsis: Taxation and bonding. Authorizes the use of various revenues associated with riverboat gaming to reduce a unit's levy for a particular year without reducing the unit's maximum levy. Standardizes the provisions of current law authorizing the use of riverboat gaming revenue for property tax relief. Provides that bonds and leases issued by political subdivisions and payable from sources other than property taxes are subject to approval by the department of local government finance (DLGF). Establishes additional criteria for DLGF approval of property tax based bonds and leases (which are subject to DLGF approval under current law). Requires political subdivisions to report certain information concerning new bond issues and leases to the DLGF and to make annual reports to DLGF concerning outstanding bonds and leases. Requires DLGF to compile information from the reports in a data base and to post information from the reports on the Internet. Requires, for a public library whose board is not comprised of a majority of elected members, operating budget and tax levy review by the fiscal body of the municipality, township, or county in which the library is located if the library proposes a levy increase of more than 5%. Repeals the provision that prohibits consideration of the value of federal income tax credits in determining the assessed value of low income housing property. Extends until June 1, 2005, the time in which an ordinance may be adopted in a county to provide: (1) a property tax deduction for inventory assessed in 2005; and (2) a homestead credit funded from county economic development income tax revenues to eliminate the effects of the inventory deduction on homesteads.
(Continued next page)

Effective: March 30, 2004 (retroactive); January 1, 2005 (retroactive); March 1, 2005 (retroactive); March 31, 2005 (retroactive); upon passage; July 1, 2005.

Kenley, Simpson, Lubbers, Hume

January 18, 2005, read first time and referred to Committee on Tax and Fiscal Policy.
February 10, 2005, amended, reported favorably — Do Pass.

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Provides that if the county auditor determines in an appeal of a property assessment that the assessed value of the items appealed constitutes at least 1% of a taxing unit's total assessed value for the preceding year: (1) the county auditor must provide notice to the affected taxing unit; and (2) the affected taxing unit, although not a party to the appeal, may participate in the hearing. Requires DLGF to prepare and post on the Internet an annual report on the each political subdivision's per capita spending. Allows tenants of residential property to sign petitions and remonstrances with respect to a petition and remonstrance contest for a controlled project. Requires an accompanying affidavit for tenants to affirm they are tenants. For property taxes payable in 2005 through 2008, allows a county fiscal body to apply one of the following property tax credits: (1) a credit for property taxes on tangible property in the amount by which the taxes exceed 2% of the assessed value of the property; or (2) a credit for a homestead that had an excessive tax increase in the last general reassessment. For property taxes payable after 2008, allows the county fiscal body to apply a credit for property taxes on tangible property in the amount by which the taxes exceed 2% of the assessed value of the property. Provides that the part of the money received from certain property tax settlements that is attributable to taxes imposed by a political subdivision may be used to provide property tax credits in the political subdivision to taxpayers other than taxpayers that paid the settlement. Limits a taxpayer from using more than one state tax liability credit for the same project. Authorizes the economic development corporation to determine the amount of local incentives required for approval of an EDGE credit for job retention. Provides that the unused portion of an EDGE credit is not refundable but may be carried over for two years. Extends the \$5,000,000 statewide annual cap on EDGE credits for job retention through the 2006 and 2007 state fiscal years. Requires an applicant for an EDGE credit to agree to maintain operations for at least two years after the last year in which a credit or carryover is claimed (instead of a period twice as long as the term of the tax credit). Requires consideration of the extent to which the granting of an EDGE credit would reduce the amount available to fund the purposes of a community revitalization enhancement district (CRED) or certified technology park (CTP). Changes the amount of the Hoosier business investment tax credit from 30% to 10% of the qualified investment and deletes the provision stating that the amount of the credit claimed in a taxable year may not exceed the lesser of the taxpayer's state tax liability growth or 30% of the qualified investment. Repeals the definition of state tax liability growth. Deletes the requirement that an applicant for the credit must have conducted business in Indiana for at least one year before the date of the application. Provides that the credit may be carried over for a maximum of five years (instead of nine years). Reduces the income tax incremental amount that the state is required to pay to a CRED or CTP by the amount of the economic development for a growing economy tax credits granted to businesses operating in the CRED or CTP. Allows a taxpayer to carry over an unused CRED tax credit for only nine taxable years. Defines gross retail incremental amount and income tax incremental amount in the law governing CTP's. Provides reporting standards for a business in a CRED. Requires notice to be given to taxing units affected by the creation of a CRED or professional sports development area.

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February 11, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 496

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-33-12-6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department
3 shall place in the state general fund the tax revenue collected under this
4 chapter.
5 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
6 the treasurer of state shall quarterly pay the following amounts:
7 (1) Except as provided in subsection (k), one dollar (\$1) of the
8 admissions tax collected by the licensed owner for each person
9 embarking on a gambling excursion during the quarter or
10 admitted to a riverboat that has implemented flexible scheduling
11 under IC 4-33-6-21 during the quarter shall be paid to:
12 (A) the city in which the riverboat is docked, if the city:
13 (i) is located in a county having a population of more than
14 one hundred ten thousand (110,000) but less than one
15 hundred fifteen thousand (115,000); or

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1 (ii) is contiguous to the Ohio River and is the largest city in
 2 the county; and
 3 (B) the county in which the riverboat is docked, if the
 4 riverboat is not docked in a city described in clause (A).
 5 (2) Except as provided in subsection (k), one dollar (\$1) of the
 6 admissions tax collected by the licensed owner for each person:
 7 (A) embarking on a gambling excursion during the quarter; or
 8 (B) admitted to a riverboat during the quarter that has
 9 implemented flexible scheduling under IC 4-33-6-21;
 10 shall be paid to the county in which the riverboat is docked. In the
 11 case of a county described in subdivision (1)(B), this one dollar
 12 (\$1) is in addition to the one dollar (\$1) received under
 13 subdivision (1)(B).
 14 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 15 admissions tax collected by the licensed owner for each person:
 16 (A) embarking on a gambling excursion during the quarter; or
 17 (B) admitted to a riverboat during the quarter that has
 18 implemented flexible scheduling under IC 4-33-6-21;
 19 shall be paid to the county convention and visitors bureau or
 20 promotion fund for the county in which the riverboat is docked.
 21 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 22 the admissions tax collected by the licensed owner for each
 23 person:
 24 (A) embarking on a gambling excursion during the quarter; or
 25 (B) admitted to a riverboat during a quarter that has
 26 implemented flexible scheduling under IC 4-33-6-21;
 27 shall be paid to the state fair commission, for use in any activity
 28 that the commission is authorized to carry out under IC 15-1.5-3.
 29 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 30 admissions tax collected by the licensed owner for each person:
 31 (A) embarking on a gambling excursion during the quarter; or
 32 (B) admitted to a riverboat during the quarter that has
 33 implemented flexible scheduling under IC 4-33-6-21;
 34 shall be paid to the division of mental health and addiction. The
 35 division shall allocate at least twenty-five percent (25%) of the
 36 funds derived from the admissions tax to the prevention and
 37 treatment of compulsive gambling.
 38 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
 39 of the admissions tax collected by the licensed owner for each
 40 person embarking on a gambling excursion during the quarter or
 41 admitted to a riverboat during the quarter that has implemented
 42 flexible scheduling under IC 4-33-6-21 shall be paid to the

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Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where

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the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

- (A) is located in the county in which the riverboat docks; and
- (B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the department of commerce to be used by the department for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

- (A) Job creation and retention.
- (B) Infrastructure, including water, wastewater, and storm water infrastructure needs.
- (C) Housing.

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- 1 (D) Workforce training.
- 2 (E) Health care.
- 3 (F) Local planning.
- 4 (G) Land use.
- 5 (H) Assistance to regional economic development groups.
- 6 (I) Other regional development issues as determined by the
- 7 department.
- 8 (d) With respect to tax revenue collected from a riverboat that
- 9 operates from a county having a population of more than four hundred
- 10 thousand (400,000) but less than seven hundred thousand (700,000),
- 11 the treasurer of state shall quarterly pay the following amounts:
- 12 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 13 admissions tax collected by the licensed owner for each person:
- 14 (A) embarking on a gambling excursion during the quarter; or
- 15 (B) admitted to a riverboat during the quarter that has
- 16 implemented flexible scheduling under IC 4-33-6-21;
- 17 shall be paid to the city in which the riverboat is docked.
- 18 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 19 admissions tax collected by the licensed owner for each person:
- 20 (A) embarking on a gambling excursion during the quarter; or
- 21 (B) admitted to a riverboat during the quarter that has
- 22 implemented flexible scheduling under IC 4-33-6-21;
- 23 shall be paid to the county in which the riverboat is docked.
- 24 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 25 admissions tax collected by the licensed owner for each person:
- 26 (A) embarking on a gambling excursion during the quarter; or
- 27 (B) admitted to a riverboat during the quarter that has
- 28 implemented flexible scheduling under IC 4-33-6-21;
- 29 shall be paid to the county convention and visitors bureau or
- 30 promotion fund for the county in which the riverboat is docked.
- 31 (4) Except as provided in subsection (k), one cent (\$0.01) of the
- 32 admissions tax collected by the licensed owner for each person:
- 33 (A) embarking on a gambling excursion during the quarter; or
- 34 (B) admitted to a riverboat during the quarter that has
- 35 implemented flexible scheduling under IC 4-33-6-21;
- 36 shall be paid to the northwest Indiana law enforcement training
- 37 center.
- 38 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 39 the admissions tax collected by the licensed owner for each
- 40 person:
- 41 (A) embarking on a gambling excursion during the quarter; or
- 42 (B) admitted to a riverboat during a quarter that has

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implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the state fair commission for use in any activity
that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the
admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has
implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The
division shall allocate at least twenty-five percent (25%) of the
funds derived from the admissions tax to the prevention and
treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents (\$0.65)
of the admissions tax collected by the licensed owner for each
person embarking on a gambling excursion during the quarter or
admitted to a riverboat during the quarter that has implemented
flexible scheduling under IC 4-33-6-21 shall be paid to the
Indiana horse racing commission to be distributed as follows, in
amounts determined by the Indiana horse racing commission, for
the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established
by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse
racing commission under IC 4-31. The commission may make
a grant under this clause only for purses, promotions, and
routine operations of the racetrack. No grants shall be made
for long term capital investment or construction, and no grants
shall be made before the racetrack becomes operational and is
offering a racing schedule.

(e) Money paid to a unit of local government under subsection
(b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be
deposited in the unit's general fund or riverboat fund established
under IC 36-1-8-9, or both;

(2) may ~~not be used to reduce the unit's maximum levy under~~
~~IC 6-1.1-18.5 but may be used at the discretion of the unit to~~
reduce the property tax levy of the unit for a particular year **(a**
property tax reduction under this subdivision does not reduce
the maximum levy of the unit under IC 6-1.1-18.5);

(3) may be used for any **other** legal or corporate purpose of the
unit, including the pledge of money to bonds, leases, or other
obligations under IC 5-1-14-4; and

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- (4) is considered miscellaneous revenue.
- (f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:
- (1) deposited in:
 - (A) the county convention and visitor promotion fund; or
 - (B) the county's general fund if the county does not have a convention and visitor promotion fund; and
 - (2) used only for the tourism promotion, advertising, and economic development activities of the county and community.
- (g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):
- (1) is annually appropriated to the division of mental health and addiction;
 - (2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and
 - (3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.
- (h) This subsection applies to the following:
- (1) Each entity receiving money under subsection (b).
 - (2) Each entity receiving money under subsection (d)(1) through (d)(2).
 - (3) Each entity receiving money under subsection (d)(5) through (d)(7).
- The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.
- (i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection

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(d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). ~~For state fiscal years beginning after June 30, 2002,~~ The total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). ~~For state fiscal years beginning after June 30, 2002,~~ The treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) exceed a particular entity's base year revenue; and
 - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

SECTION 2. IC 4-33-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) Money paid to a unit of local government under this chapter:

- (1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;
- (2) may ~~not~~ be used to reduce the ~~unit's maximum or actual levy under IC 6-1.1-18.5;~~ **property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);** and
- (3) may be used for any **other** legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4.

(b) This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter.

SECTION 3. IC 5-1-17 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:



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Chapter 17. Approval of Bonds and Leases of Political Subdivisions

Sec. 1. As used in this chapter, "bonds" means any bonds, notes, or other evidences of indebtedness that are issued by a political subdivision. However, the term does not include bonds, notes, or other evidences of indebtedness that are:

- (1) payable from ad valorem property taxes or otherwise subject to the approval of the department under IC 6-1.1-18.5, IC 6-1.1-19, or any other statute;**
- (2) issued to finance the acquisition of personal property;**
- (3) issued in anticipation of and to be paid from current revenues of a political subdivision actually levied and in the course of collection for the fiscal year in which the notes, warrants, or other evidences of indebtedness are issued;**
- (4) issued for the purpose of refunding outstanding bonds, notes, or evidences of indebtedness in order to provide gross or net present value savings to taxpayers, if:**
 - (A) the principal amount of the refunding obligations (excluding any proceeds to be used for costs of issuance) does not exceed the principal amount of the outstanding obligations being refunded (excluding any proceeds that are used for costs of issuance); and**
 - (B) the final maturity date of the refunding obligations is not later than the final maturity date of the outstanding obligations being refunded; or**
- (5) a lease.**

Sec. 2. As used in this chapter, "debt service" means principal of and interest on bonds. The term includes the repayment of an advance from the common school fund under IC 21-1-5-3.

Sec. 3. As used in this chapter, "department" refers to the department of local government finance.

Sec. 4. As used in this chapter, "lease" means a lease that is entered into by a political subdivision for a term of at least twelve (12) months and that is not subject to the approval of the department under IC 6-1.1-18.5, IC 6-1.1-19, or any other statute. However, the term does not include:

- (1) leases that are payable from ad valorem property taxes or otherwise subject to the approval of the department under IC 6-1.1-18.5, IC 6-1.1-19, or any other statute; or**
- (2) leases of personal property.**

Sec. 5. As used in this chapter, "lease rentals" means the payments required under a lease.

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1 **Sec. 6.** As used in this chapter, "political subdivision" has the
2 meaning set forth in IC 36-1-2-13.

3 **Sec. 7.** Notwithstanding any other law, a political subdivision
4 may not pay debt service or lease rentals without completing the
5 procedures set forth in this chapter.

6 **Sec. 8.** A political subdivision must file a petition requesting
7 approval from the department to issue bonds or enter into a lease.
8 A petition filed under this section must include the following
9 information:

10 (1) The maximum term of the bonds or lease.

11 (2) The maximum principal amount of the bonds or the
12 maximum lease rental for the lease.

13 (3) The estimated interest rates that will be paid and the total
14 financing costs associated with the bonds or lease, including
15 interest, legal and underwriter's fees, and other costs of
16 issuance.

17 (4) The purpose of the bonds or lease.

18 (5) With respect to bonds to be issued or a lease to be entered
19 into for the acquisition, construction, renovation,
20 improvement, expansion, or use of a building, structure, or
21 other public improvement:

22 (A) the estimated cost of the project, including the cost of
23 land;

24 (B) the estimated costs the political subdivision expects to
25 incur annually to operate, maintain, and repair the
26 building, structure, or improvement;

27 (C) the source or sources of revenue to be used to pay the
28 expenses described in clause (B); and

29 (D) the estimated impact, if any, on the tax rates, fees, or
30 other charges imposed by the political subdivision that will
31 result from the issuance of the bonds or execution of the
32 lease agreement.

33 (6) Any other information that the department considers
34 necessary to carry out the department's duties under this
35 chapter.

36 **Sec. 9.** The department may seek recommendations from the
37 local government tax control board, the department of state
38 revenue, or both, when determining whether to authorize incurring
39 the bonded indebtedness or the execution of the lease. The local
40 government tax control board, the department of state revenue,
41 and other state agencies shall provide information to the
42 department that the department considers necessary to determine

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the estimated impact of the issuance of bonds or execution of a lease on a political subdivision's tax rates.

Sec. 10. Subject to section 11 of this chapter, the department may:

(1) approve or disapprove the proposed bond issue or lease agreement; or

(2) approve an alternative financing arrangement by:

(A) reducing the amount of the proposed bond issue or lease agreement;

(B) modifying other terms of the proposed bond issue or lease agreement;

(C) approving the use of other funding mechanisms that are available to the political subdivision to cover all or part of the costs that would be covered by the proposed bond issue or lease agreement;

(D) modifying the scope of the proposed project, in the case of bonds to be issued or a lease to be entered into for the acquisition, construction, renovation, improvement, or expansion of a building, structure, or other public improvement; or

(E) any combination of the methods described in clauses (A) through (D).

Sec. 11. (a) In determining whether to approve or disapprove a proposed bond issue or lease agreement, or to approve an alternative financing arrangement, the department shall consider the following factors:

(1) Whether the proposed bond issue or lease agreement is unnecessary or excessive.

(2) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, whether the political subdivision has demonstrated that an adequate source of funding will be available to cover annual costs of operating, maintaining, and repairing the building, structure, or public improvement.

(3) Whether an excessive impact on the tax rates, fees, or other charges imposed by the political subdivision will result from:

(A) the issuance of the bonds or execution of the lease agreement; and

(B) with respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation,

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improvement, expansion, or use of a building, structure, or other public improvement, the annual costs of operating, maintaining, and repairing the building, structure, or public improvement.

(4) Whether any costs of acquiring, constructing, renovating, improving, or expanding a building, structure, or other public improvement that are to be financed through the issuance of bonds or execution of a lease are comparable to the costs incurred for those purposes by other similarly situated political subdivisions for similar projects.

(5) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, the extent to which the building, structure, or public improvement will be made available to residents of the political subdivision for uses other than those planned by the political subdivision.

(6) Any other pertinent matter.

(b) The department must render a decision not later than three (3) months after the date the department receives a request for approval under section 8 of this chapter, and if a decision is not rendered within that time, the bond issue or lease agreement is considered approved unless the department takes the extension provided for in subsection (c).

(c) A three (3) month extension of the period during which the decision must be rendered may be taken by the department if the department mails a notice of the extension to the executive officer of the political subdivision at least ten (10) days before the end of the original three (3) month period described in subsection (b). If a decision is not rendered within the extension period, the issue is considered approved.

Sec. 12. A political subdivision may petition for judicial review of the final determination of the department under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this chapter.

Sec. 13. The department may adopt rules under IC 4-22-2 to carry out the purposes of this chapter.

SECTION 4. IC 5-1-18 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 18. Reports Concerning Bonds and Leases of Political Subdivisions

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1 **Sec. 1. As used in this chapter, "bonds" means any bonds, notes,**
 2 **or other evidences of indebtedness, including guaranteed energy**
 3 **savings contracts and advances from the common school fund,**
 4 **whether payable from property taxes, other taxes, revenues, or any**
 5 **other source. However, the term does not include notes, warrants,**
 6 **or other evidences of indebtedness made in anticipation of and to**
 7 **be paid from current revenues of a political subdivision actually**
 8 **levied and in the course of collection for the fiscal year in which the**
 9 **notes, warrants, or other evidences of indebtedness are issued.**

10 **Sec. 2. As used in this chapter, "department" refers to the**
 11 **department of local government finance.**

12 **Sec. 3. As used in this chapter, "lease" means a lease of real**
 13 **property that is entered into by a political subdivision for a term**
 14 **of at least twelve (12) months, whether payable from property**
 15 **taxes, other taxes, revenues, or any other source.**

16 **Sec. 4. As used in this chapter, "lease rentals" means the**
 17 **payments required under a lease.**

18 **Sec. 5. As used in this chapter, "political subdivision" has the**
 19 **meaning set forth in IC 36-1-2-13.**

20 **Sec. 6. A political subdivision that issues bonds or enters into a**
 21 **lease after December 31, 2005, shall supply the department with**
 22 **information concerning the bond issue or lease within twenty (20)**
 23 **days after the issuance of the bonds or execution of the lease.**

24 **Sec. 7. (a) Except as provided by subsection (b), the bond issue**
 25 **information required by section 6 of this chapter must be**
 26 **submitted on a form prescribed by the department and must**
 27 **include:**

- 28 (1) the par value of the bond issue;
- 29 (2) a schedule of maturities and interest rates;
- 30 (3) the purposes of the bond issue;
- 31 (4) the itemized costs of issuance information, including fees
- 32 for bond counsel, other legal counsel, underwriters, and
- 33 financial advisors;
- 34 (5) the type of bonds that are issued; and
- 35 (6) other information as required by the department.

36 **A copy of the official statement and bond covenants, if any, must**
 37 **be supplied with this information.**

38 **(b) The department may establish a procedure that permits a**
 39 **political subdivision or a person acting on behalf of a political**
 40 **subdivision to transfer all or part of the information described in**
 41 **subsection (a) to the department in a uniform format through a**
 42 **secure connection over the Internet or through other electronic**

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means.

Sec. 8. (a) Except as provided by subsection (b), the lease information required by section 6 of this chapter must be submitted on a form prescribed by the department and must include:

- (1) the term of the lease;
- (2) the annual and total amount of lease rental payments due under the lease;
- (3) the purposes of the lease;
- (4) the itemized costs incurred by the political subdivision with respect to the preparation and execution of the lease, including fees for legal counsel and other professional advisors;
- (5) if all or part of the lease rental payments are used by the lessor as debt service payments for bonds issued for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement for the political subdivision:
 - (A) the name of the lessor;
 - (B) the par value of the bond issue; and
 - (C) the purposes of the bond issue; and
- (6) other information as required by the department.

(b) The department may establish a procedure that permits a political subdivision or a person acting on behalf of a political subdivision to transfer all or part of the information described in subsection (a) to the department in a uniform format through the Internet or other electronic means, as determined by the department.

Sec. 9. Each political subdivision that has any outstanding bonds or leases shall submit a report to the department before March 1 of 2006 and each year thereafter that includes a summary of all the outstanding bonds of the political subdivision as of January 1 of that year. The report must:

- (1) distinguish the outstanding bond issues and leases on the basis of the type of bond or lease, as determined by the department;
- (2) include a comparison of the political subdivision's outstanding indebtedness compared to any applicable statutory or constitutional limitations on indebtedness;
- (3) include other information as required by the department; and
- (4) be submitted on a form prescribed by the department or

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through the Internet or other electronic means, as determined by the department.

Sec. 10. The department shall:

- (1) compile an electronic data base that includes the information submitted under this chapter; and
- (2) after December 31, 2006, post the information submitted under this chapter on the Internet at least annually.

Sec. 11. Information submitted to the department under this chapter is a public record that may be inspected and copied under IC 5-14-3.

Sec. 12. The department may adopt rules under IC 4-22-2 to carry out the purposes of this chapter.

SECTION 5. IC 6-1.1-12-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 30, 2004 (RETROACTIVE)]: Sec. 41. (a) This section does not apply to assessment years beginning after December 31, 2005.

(b) As used in this section, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction allowed under subsection (f).

(c) As used in this section, "county income tax council" means a council established by IC 6-3.5-6-2.

(d) As used in this section, "fiscal body" has the meaning set forth in IC 36-1-2-6.

(e) As used in this section, "inventory" has the meaning set forth in IC 6-1.1-3-11.

(f) An ordinance may be adopted in a county to provide that a deduction applies to the assessed value of inventory located in the county. The deduction is equal to one hundred percent (100%) of the assessed value of inventory located in the county for the appropriate year of assessment. ~~An ordinance adopted under this subsection must be adopted before January 1 of a calendar year beginning after December 31, 2002.~~ An ordinance adopted under this section in a particular year applies:

- (1) if adopted before March 31, 2004, to each subsequent assessment year ending before January 1, 2006; and
- (2) if adopted after March 30, 2004, and before June 1, 2005, to the March 1, 2005, assessment date.

An ordinance adopted under this section may be consolidated with an ordinance adopted under IC 6-3.5-7-25 or IC 6-3.5-7-26. The consolidation of an ordinance adopted under this section with an ordinance adopted under IC 6-3.5-7-26 does not cause the ordinance

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adopted under IC 6-3.5-7-26 to expire after December 31, 2005.

(g) An ordinance may not be adopted under subsection (f) after ~~March May 30, 2004~~ **2005**. However, an ordinance adopted under this section:

(1) before March 31, 2004, may be amended after March 30, 2004; and

(2) before June 1, 2005, may be amended after May 30, 2005; to consolidate an ordinance adopted under IC 6-3.5-7-26.

(h) The entity that may adopt the ordinance permitted under subsection (f) is:

(1) the county income tax council if the county option income tax is in effect on January 1 of the year in which an ordinance under this section is adopted;

(2) the county fiscal body if the county adjusted gross income tax is in effect on January 1 of the year in which an ordinance under this section is adopted; or

(3) the county income tax council or the county fiscal body, whichever acts first, for a county not covered by subdivision (1) or (2).

To adopt an ordinance under subsection (f), a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax. The entity that adopts the ordinance shall provide a certified copy of the ordinance to the department of local government finance before February 1.

(i) A taxpayer is not required to file an application to qualify for the deduction permitted under subsection (f).

(j) The department of local government finance shall incorporate the deduction established in this section in the personal property return form to be used each year for filing under IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the form. If a taxpayer fails to enter the deduction on the form, the township assessor shall:

(1) determine the amount of the deduction; and

(2) within the period established in IC 6-1.1-16-1, issue a notice of assessment to the taxpayer that reflects the application of the deduction to the inventory assessment.

(k) The deduction established in this section must be applied to any inventory assessment made by:

(1) an assessing official;

(2) a county property tax board of appeals; or

(3) the department of local government finance.

SECTION 6. IC 6-1.1-15-1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A taxpayer may
 2 obtain a review by the county property tax assessment board of appeals
 3 of a county or township official's action with respect to the assessment
 4 of the taxpayer's tangible property if the official's action requires the
 5 giving of notice to the taxpayer. At the time that notice is given to the
 6 taxpayer, the taxpayer shall also be informed in writing of:

7 (1) the opportunity for review under this section, including an
 8 informal preliminary conference with the county or township
 9 official referred to in this subsection; and

10 (2) the procedures the taxpayer must follow in order to obtain
 11 review under this section.

12 (b) In order to appeal a current assessment and have a change in the
 13 assessment effective for the most recent assessment date, the taxpayer
 14 must request in writing a preliminary conference with the county or
 15 township official referred to in subsection (a):

16 (1) ~~within~~ **not later than** forty-five (45) days after notice of a
 17 change in the assessment is given to the taxpayer; or

18 (2) **on or before** May 10 of that year;

19 whichever is later. ~~The county or township official referred to in~~
 20 ~~subsection (a) shall notify the county auditor that the assessment is~~
 21 ~~under appeal.~~ The preliminary conference required under this
 22 subsection is a prerequisite to a review by the county property tax
 23 assessment board of appeals under subsection (i).

24 (c) A change in an assessment made as a result of an appeal filed:

25 (1) in the same year that notice of a change in the assessment is
 26 given to the taxpayer; and

27 (2) after the time prescribed in subsection (b);

28 becomes effective for the next assessment date.

29 (d) A taxpayer may appeal a current real property assessment in a
 30 year even if the taxpayer has not received a notice of assessment in the
 31 year. If an appeal is filed on or before May 10 of a year in which the
 32 taxpayer has not received notice of assessment, a change in the
 33 assessment resulting from the appeal is effective for the most recent
 34 assessment date. If the appeal is filed after May 10, the change
 35 becomes effective for the next assessment date.

36 (e) The written request for a preliminary conference that is required
 37 under subsection (b) must include the following information:

38 (1) The name of the taxpayer.

39 (2) The address and parcel or key number of the property.

40 (3) The address and telephone number of the taxpayer.

41 (f) The county or township official referred to in subsection (a)
 42 shall, ~~within~~ **not later than** thirty (30) days after the receipt of a

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1 written request for a preliminary conference, attempt to hold a
 2 preliminary conference with the taxpayer to resolve as many issues as
 3 possible by:

- 4 (1) discussing the specifics of the taxpayer's reassessment;
- 5 (2) reviewing the taxpayer's property record card;
- 6 (3) explaining to the taxpayer how the reassessment was
- 7 determined;
- 8 (4) providing to the taxpayer information about the statutes, rules,
- 9 and guidelines that govern the determination of the reassessment;
- 10 (5) noting and considering objections of the taxpayer;
- 11 (6) considering all errors alleged by the taxpayer; and
- 12 (7) otherwise educating the taxpayer about:
 - 13 (A) the taxpayer's reassessment;
 - 14 (B) the reassessment process; and
 - 15 (C) the reassessment appeal process.

16 ~~Within~~ **Not later than** ten (10) days after the conference, the county or
 17 township official referred to in subsection (a) shall forward to the
 18 county auditor and the county property tax assessment board of appeals
 19 the results of the conference on a form prescribed by the department of
 20 local government finance that must be completed and signed by the
 21 taxpayer and the official. The official and the taxpayer shall each retain
 22 a copy of the form for their records.

23 (g) The form submitted to the county property tax assessment board
 24 of appeals under subsection (f) must specify the following:

- 25 (1) The physical characteristics of the property in issue that bear
- 26 on the assessment determination.
- 27 (2) All other facts relevant to the assessment determination.
- 28 (3) A list of the reasons the taxpayer believes that the assessment
- 29 determination by the county or township official referred to in
- 30 subsection (a) is incorrect.
- 31 (4) An indication of the agreement or disagreement by the official
- 32 with each item listed under subdivision (3).
- 33 (5) The reasons the official believes that the assessment
- 34 determination is correct.

35 (h) If after the conference there are no items listed on the form
 36 submitted to the county property tax assessment board of appeals under
 37 subsection (f) on which there is disagreement:

- 38 (1) the county or township official referred to in subsection (a)
- 39 shall give notice to the taxpayer, the county property tax
- 40 assessment board of appeals, and the county assessor of the
- 41 assessment in the amount agreed to by the taxpayer and the
- 42 official; and

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(2) the county property tax assessment board of appeals may reserve the right to change the assessment under IC 6-1.1-13.

(i) If after the conference there are items listed in the form submitted under subsection (f) on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the board of appeals. Except as provided in subsections (k) and (l), the hearing must be held **within not later than** ninety (90) days **of after** the official's receipt of the taxpayer's written request for a preliminary conference under subsection (b). The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The county or township official referred to in subsection (a) must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the taxpayer's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item **within not later than** sixty (60) days **of after** the hearing, except as provided in subsections (k) and (l).

(j) If the township assessor does not attempt to hold a preliminary conference, the taxpayer may file a request in writing with the county assessor for a hearing before the property tax assessment board of appeals. If the board determines that the county or township official referred to in subsection (a) did not attempt to hold a preliminary conference, the board shall hold a hearing. The taxpayer and the county or township official whose original determination is under review are parties to the proceeding before the board of appeals. The hearing must be held **within not later than** ninety (90) days **of after** the receipt by the board of appeals of the taxpayer's hearing request under this subsection. The requirements of subsection (i) with respect to:

(1) participation in the hearing by the taxpayer and the township assessor or county assessor; and

(2) the procedures to be followed by the county board; apply to a hearing held under this subsection.

(k) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing **within not later than** one hundred eighty (180) days instead of ninety (90) days **after the filing of the petition**; and

(2) have a written record of the hearing and prepare a written

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statement of findings and a decision on each item ~~within~~ **not later than** one hundred twenty (120) days after the hearing.

(l) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

(1) hold its hearing ~~within~~ **not later than** one hundred eighty (180) days instead of ninety (90) days **after the filing of the petition**; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within~~ **not later than** one hundred twenty (120) days after the hearing.

(m) The county property tax assessment board of appeals:

(1) may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (i) or (j); and

(2) may amend the form submitted under subsection (f) if the board determines that the amendment is warranted.

(n) Upon receiving a request for a preliminary conference under subsection (b), the county or township official referred to in subsection (a) shall notify the county auditor in writing that the assessment is under appeal. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the appellant's name and address, the assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed, and the assessed value of the appealed items on the most recent assessment date. If the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

SECTION 7. IC 6-1.1-15-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) The county property tax assessment board of appeals may assess the tangible property in question.

(b) The county property tax assessment board of appeals shall, by

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mail, give notice of the date fixed for the hearing under ~~section 1~~ **section 1(i)** of this chapter to the taxpayer, ~~and to the township assessor, the county assessor, and the county auditor.~~ **With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:**

(1) For those items on which there is disagreement, the assessed value of the appealed items:

(A) for the assessment date immediately preceding the assessment date for which the appeal was filed; and

(B) on the most recent assessment date.

(2) A statement that a taxing unit receiving the notice from the county auditor under subsection (c) may:

(A) attend the hearing;

(B) offer testimony; and

(C) file an amicus curiae brief in the proceeding.

A taxing unit that receives a notice from the county auditor under subsection (c) is not a party to the appeal.

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the items on which there is disagreement constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

~~(c)~~ **(d)** The department of local government finance shall prescribe a form for use by the county property tax assessment board of appeals in processing a review of an assessment determination. The department shall issue instructions for completion of the form. The form must require the county property tax assessment board of appeals to include a record of the hearing, findings on each item, and indicate agreement or disagreement with each item that is indicated on the form submitted by the taxpayer and the county or township official under section 1(f) of this chapter. The form must also require the county property tax assessment board of appeals to indicate the issues in dispute for each item and its reasons in support of its resolution of those issues.

~~(d)~~ **(e)** After the hearing the county property tax assessment board of appeals shall, by mail, give notice of its determination to the taxpayer, the township assessor, ~~and the county assessor, and the~~

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1 **county auditor, and any taxing unit entitled to notice of the hearing**
 2 **under subsection (c). The county property tax assessment board of**
 3 **appeals** shall include with the notice copies of the forms completed
 4 under subsection ~~(c)~~: **(d)**.

5 SECTION 8. IC 6-1.1-15-3 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A taxpayer may
 7 obtain a review by the Indiana board of a county property tax
 8 assessment board of appeals action with respect to the assessment of
 9 that taxpayer's tangible property if the county property tax assessment
 10 board of appeals' action requires the giving of notice to the taxpayer. A
 11 township assessor, county assessor, member of a county property tax
 12 assessment board of appeals, or county property tax assessment board
 13 of appeals that made the original determination under appeal under this
 14 section is a party to the review under this section to defend the
 15 determination. At the time that notice is given to the taxpayer, the
 16 taxpayer shall also be informed in writing of:

- 17 (1) the taxpayer's opportunity for review under this section; and
 18 (2) the procedures the taxpayer must follow in order to obtain
 19 review under this section.

20 (b) A township assessor or county assessor may obtain a review by
 21 the Indiana board of any assessment which the township assessor or the
 22 county assessor has made, upon which the township assessor or the
 23 county assessor has passed, or which has been made over the township
 24 assessor's or the county assessor's protest.

25 (c) In order to obtain a review by the Indiana board under this
 26 section, the party must file a petition for review with the appropriate
 27 county assessor **within not later than** thirty (30) days after the notice
 28 of the county property tax assessment board of appeals action is given
 29 to the taxpayer.

30 (d) The Indiana board shall prescribe the form of the petition for
 31 review of an assessment determination by the county property tax
 32 assessment board of appeals. The Indiana board shall issue instructions
 33 for completion of the form. The form and the instructions must be
 34 clear, simple, and understandable to the average individual. An appeal
 35 of such a determination must be made on the form prescribed by the
 36 Indiana board. The form must require the petitioner to specify the
 37 following:

- 38 (1) If the county or township official held a preliminary
 39 conference under section 1(f) of this chapter, the items listed in
 40 section 1(g)(1) and 1(g)(2) of this chapter.
 41 (2) The reasons why the petitioner believes that the assessment
 42 determination by the county property tax assessment board of

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appeals is erroneous.

(e) The county assessor shall transmit the petition for review to the Indiana board ~~within~~ **not later than** ten (10) days after it is filed.

(f) If a township assessor or a member of the county property tax assessment board of appeals files a petition for review under this section concerning the assessment of a taxpayer's property, the county assessor must send a copy of the petition to the taxpayer. **The county assessor shall transmit the petition for review to the Indiana board not later than ten (10) days after the petition is filed.**

SECTION 9. IC 6-1.1-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing **and a copy of the petition filed under section 3 of this chapter**, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. **With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:**

(1) **The assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed under section 1 of this chapter.**

(2) **The action of the county property tax assessment board of appeals with respect to the appealed items.**

(3) **A statement that a taxing unit receiving the notice from the county auditor under subsection (c) may:**

(A) attend the hearing; and

(B) offer testimony.

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A taxing unit that receives a notice from the county auditor under subsection (c) is not a party to the appeal. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

~~(b)~~ **(d)** If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

~~(c)~~ **(e)** The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

- (1) if the county or township official held a preliminary conference under section 1(f) of this chapter, indicated on the petition submitted under that section by the taxpayer and the official; and
- (2) included in the county property tax assessment board of appeals' findings, record, and determination under ~~section 2.1(c)~~ **section 2.1(d)** of this chapter.

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The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

~~(d)~~ **(f)** After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, ~~and~~ the county auditor, **and the affected taxing units required to be notified under subsection (c):**

- (1) notice, by mail, of its final determination;
- (2) a copy of the form completed under subsection ~~(c)~~; **(e)**; and
- (3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

~~(e)~~ **(g)** Except as provided in subsection ~~(f)~~; **(h)**, the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

~~(f)~~ **(h)** With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

~~(g)~~ **(i)** Except as provided in subsection ~~(h)~~; **(j)**, the Indiana board shall make a determination not later than the later of:

- (1)** ninety (90) days after the hearing; or
- (2)** the date set in an extension order issued by the Indiana board.

~~(h)~~ **(j)** With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:

- (1)** one hundred eighty (180) days after the hearing; or
- (2)** the date set in an extension order issued by the Indiana board.

~~(i)~~ **(k)** Except as provided in subsection ~~(j)~~; **(p)**, the Indiana board may not extend the final determination date under subsection ~~(g)~~ **(i)** or ~~(h)~~ **(j)** by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the entity that initiated the petition may:

- (1) take no action and wait for the Indiana board to make a final determination; or
- (2) petition for judicial review under section 5(g) of this chapter.

~~(j)~~ **(l)** A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based

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exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

~~(k)~~ **(m)** The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

~~(j)~~ **(n)** The Indiana board:

- (1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and
- (2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

~~(m)~~ **(o)** A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection ~~(j)~~ **(n)** if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection ~~(j)~~ **(n)**.

~~(n)~~ **(p)** The county assessor may:

- (1) appear as an additional party if the notice of appearance is filed before the review proceeding; or
- (2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

~~(o)~~ **(q)** The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

- (1) order that a final determination under this subsection has no precedential value; or
- (2) specify a limited precedential value of a final determination

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under this subsection.

SECTION 10. IC 6-1.1-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Not later than fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing not later than fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

- (1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and
- (2) shall issue a final determination not later than ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

If ~~of~~ the Indiana board fails to make a final determination within the time allowed under subdivision (2), the entity that initiated the petition for rehearing may take no action and wait for the Indiana board to make a final determination or petition for judicial review under subsection (g).

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose

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assessment is under appeal is subject to assessment by that taxing unit. The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section is a party to the review under this section to defend the determination.

(c) Except as provided in subsection (g), to initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) not later than:

(1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or

(2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section ~~4(f)~~ **4(h)** or ~~4(g)~~ **4(i)** of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor, ~~or the~~ elected township assessor, **or an affected taxing unit. If an appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.**

(f) If the county executive determines upon a request under this subsection to not appeal to the tax court:

(1) the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget; and

(2) the petitioner may not be represented by the attorney general in an action described in subdivision (1).

(g) If the maximum time elapses for the Indiana board to give notice of its final determination under subsection (a) or section 4 of this chapter, a person may initiate a proceeding for judicial review by taking the action required by subsection (b) at any time after the maximum time elapses. If:

(1) a judicial proceeding is initiated under this subsection; and

(2) the Indiana board has not issued a determination;

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the tax court shall determine the matter de novo.

SECTION 11. IC 6-1.1-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) If the assessment of tangible property is corrected by the department of local government finance or the county property tax assessment board of appeals under section 8 of this chapter, the owner of the property has a right to appeal the final determination of the corrected assessment to the Indiana board. The county executive also has a right to appeal the final determination of the reassessment by the department of local government finance or the county property tax assessment board of appeals but only upon request by the county assessor, ~~or the~~ elected township assessor, **or an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.**

(b) An appeal under this section must be initiated in the manner prescribed in section 3 of this chapter or IC 6-1.5-5.

SECTION 12. IC 6-1.1-17-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) This section applies:

(1) to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if the proposed property tax levy:

(A) for the taxing unit (other than a public library) for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the taxing unit for the current calendar year; or

(B) for the operating budget of a public library for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the operating budget of the public library for the current calendar year.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include a school corporation.

(c) **This subsection does not apply to a public library.** If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall

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be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) **This subsection does not apply to a public library.** If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) **This subsection applies to a public library. The library board of a public library subject to this section shall submit its proposed budget and property tax levy to the fiscal body designated under IC 20-14-14.**

~~(e)~~ (f) **Subject to subsection (g),** the fiscal body of the city, town, or county (whichever applies) **or the fiscal body designated under IC 20-14-14 (in the case of a public library)** shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(g) **A fiscal body's review under subsection (f) is limited to the proposed operating budget of the public library and the proposed property tax levy for the library's operating budget.**

SECTION 13. IC 6-1.1-18.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

- (1) bonded indebtedness; or
- (2) lease rentals under a lease with an original term of at least five (5) years.

(b) A civil taxing unit must file a petition requesting approval from the department of local government finance to incur bonded indebtedness or execute a lease with an original term of at least five (5) years not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the department of local government finance before the civil taxing unit may ~~(1)~~ incur the bonded indebtedness or ~~(2)~~ enter into the lease. The department of local government finance may seek recommendations from the local government tax control board established by section 11

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of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease. **Subject to subsection (c), the department of local government finance may:**

(1) approve or disapprove the proposed bond issue or lease agreement; or

(2) approve an alternative financing arrangement by:

(A) reducing the amount of the proposed bond issue or lease agreement;

(B) modifying other terms of the proposed bond issue or lease agreement;

(C) approving the use of other funding mechanisms that are available to the civil taxing unit to cover all or part of the costs that would be covered by the proposed bond issue or lease agreement;

(D) modifying the scope of the proposed project, in the case of bonds to be issued or a lease to be entered into for the acquisition, construction, renovation, improvement, or expansion of a building, structure, or other public improvement; or

(E) any combination of the methods described in clauses (A) through (D).

(c) In determining whether to approve or disapprove a proposed bond issue or lease agreement or to approve an alternative financing arrangement, the department of local government finance shall consider the following factors:

(1) Whether the proposed bond issue or lease agreement is unnecessary or excessive.

(2) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, whether the civil taxing unit has demonstrated that an adequate source of funding will be available to cover annual costs of operating, maintaining, and repairing the building, structure, or public improvement.

(3) Whether an excessive impact on the civil taxing unit's tax rates will result from:

(A) the issuance of the bonds or execution of the lease agreement; and

(B) with respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, the annual costs of operating,

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maintaining, and repairing the building, structure, or public improvement.

(4) Whether any costs of acquiring, constructing, renovating, improving, or expanding a building, structure, or other public improvement that are to be financed through the issuance of bonds or execution of a lease are comparable to the costs incurred for those purposes by other similarly situated civil taxing units for similar projects.

(5) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, whether the building, structure, or public improvement will be made available to residents of the civil taxing unit for uses other than those planned by the civil taxing unit.

(6) Any other pertinent matter.

(c) (d) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) (e) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) (f) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

(f) (g) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

SECTION 14. IC 6-1.1-19-8 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) A school corporation must file a petition requesting approval from the department of local government finance to incur bond indebtedness, enter into a lease rental agreement, or repay from the debt service fund loans made for the purchase of school buses under IC 20-9.1-6-5 not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a longer period is reasonable in light of the school corporation's facts and circumstances. A school corporation must obtain approval from the department of local government finance before the school corporation may:

- (1) incur the indebtedness;
- (2) enter into the lease agreement; or
- (3) repay the school bus purchase loan.

This restriction does not apply to ad valorem property taxes which a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974.

(b) **Subject to subsection (c) and sections 4.2 and 4.6 of this chapter,** the department of local government finance may: ~~either~~

- (1) approve ~~or disapprove or modify then approve~~ a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan; ~~or~~

(2) **approve an alternative financing arrangement by:**

(A) **reducing the amount of the proposed bond issue, lease rental agreement, or school bus purchase loan;**

(B) **modifying other terms of the proposed bond issue, lease rental agreement, or school bus purchase loan;**

(C) **approving the use of other funding mechanisms that are available to the school corporation to cover all or part of the costs that would be covered by the proposed bond issue, lease rental agreement, or school bus purchase loan;**

(D) **modifying the scope of:**

- (i) **the proposed project, in the case of bonds to be issued or a lease to be entered into for the acquisition, construction, renovation, improvement, or expansion of a building, structure, or other public improvement; or**
- (ii) **the proposed purchase, in the case of a school bus purchase loan; or**

(E) **any combination of the methods described in clauses (A) through (D).**

(c) **In determining whether to approve or disapprove a proposed bond issue, lease rental agreement, or school bus purchase loan, or**

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to approve an alternative financing arrangement, the department of local government finance shall consider the following factors:

(1) Whether the proposed bond issue, lease rental agreement, or school bus purchase loan is unnecessary or excessive.

(2) With respect to a proposed bond issue or lease rental agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, whether the school corporation has demonstrated that an adequate source of funding will be available to cover annual costs of operating, maintaining, and repairing the building, structure, or public improvement; or

(3) Whether an excessive impact on the tax rates, fees, or other charges imposed by the school corporation will result from:

(A) the issuance of the bonds or execution of the lease rental agreement or school bus purchase loan;

(B) with respect to a proposed bond issue or lease rental agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, the annual costs of operating, maintaining, and repairing the building, structure, or public improvement; and

(C) with respect to a proposed school bus purchase loan, the annual costs of operating, maintaining, and repairing the vehicles to be purchased with the loan.

(4) Whether any costs of acquiring, constructing, renovating, improving, or expanding a building, structure, or other public improvement that are to be financed through the issuance of bonds or execution of a lease are comparable to the costs incurred for those purposes by other similarly situated political subdivisions for similar projects.

(5) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, whether the building, structure, or public improvement will be made available to residents of the school corporation for uses other than those planned by the school corporation.

(6) Any other pertinent matter.

Before it approves or disapproves a proposed lease rental agreement, bond issue or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control

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board.

(d) The department of local government finance shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the school corporation. A school corporation may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(e) After December 31, 1995, the department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

- (1) establishes that additional classroom space is necessary; and
- (2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-10.1-2-2)) rather than expanding classroom space.

(f) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

(g) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

SECTION 15. IC 6-1.1-20-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

- (1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

- (A) publication in accordance with IC 5-3-1; and
- (B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property **or tenants of residential property** within

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the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property **or a tenant or tenants of residential property** within the political subdivision. **A petition or remonstrance signed by a tenant of residential property must be accompanied by an affidavit setting forth the name of the landlord and the property address of the tenant's leasehold.** Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition, ~~and~~ remonstrance, ~~and~~ **affidavit** forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property **or a tenant or tenants of residential property** within the political subdivision the number of petition or remonstrance forms requested by the owner or owners **or tenant or tenants**. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property **or tenants of residential property**;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;

(D) govern the closing date for the petition and remonstrance

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- 1 period; and
 2 (E) apply to the carrier under section 10 of this chapter.
 3 Persons requesting forms may not be required to identify
 4 themselves and may be allowed to pick up additional copies to
 5 distribute to other property owners **or tenants of residential**
 6 **property**. The county auditor may not issue a petition or
 7 remonstrance form earlier than twenty-nine (29) days after the
 8 notice is given under subdivision (1). The county auditor shall
 9 certify the date of issuance on each petition or remonstrance form
 10 that is distributed under this subdivision.
 11 (4) The petitions, ~~and~~ remonstrances, **and affidavits** must be
 12 verified in the manner prescribed by the state board of accounts
 13 and filed with the county auditor within the sixty (60) day period
 14 described in subdivision (2) in the manner set forth in section 3.1
 15 of this chapter relating to requests for a petition and remonstrance
 16 process.
 17 (5) The county auditor must file a certificate and the petition or
 18 remonstrance with the body of the political subdivision charged
 19 with issuing bonds or entering into leases within fifteen (15)
 20 business days of the filing of a petition or remonstrance under
 21 subdivision (4), whichever applies, containing ten thousand
 22 (10,000) signatures or less. The county auditor may take an
 23 additional five (5) days to review and certify the petition or
 24 remonstrance for each additional five thousand (5,000) signatures
 25 up to a maximum of sixty (60) days. The certificate must state the
 26 number of petitioners and remonstrators that are owners of real
 27 property **and the number of petitioners and remonstrators who**
 28 **are tenants of residential property** within the political
 29 subdivision.
 30 (6) If a greater number of owners of real property **plus tenants of**
 31 **residential property** within the political subdivision sign a
 32 remonstrance than the number that signed a petition, the bonds
 33 petitioned for may not be issued or the lease petitioned for may
 34 not be entered into. The proper officers of the political
 35 subdivision may not make a preliminary determination to issue
 36 bonds or enter into a lease for the controlled project defeated by
 37 the petition and remonstrance process under this section or any
 38 other controlled project that is not substantially different within
 39 one (1) year after the date of the county auditor's certificate under
 40 subdivision (5). Withdrawal of a petition carries the same
 41 consequences as a defeat of the petition.
 42 (7) After a political subdivision has gone through the petition and

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remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property **and tenants of residential property** within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 16. IC 6-1.1-20.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

Chapter 20.6. Property Tax Credits

Sec. 1. As used in this chapter:

- (1) "2002 liability" means the amount of property taxes imposed on a homestead first due and payable in 2002;
- (2) "2003 increase" means the amount by which the 2003 liability exceeds the 2002 liability;
- (3) "2003 liability" means the amount of property taxes imposed on a homestead first due and payable in 2003;
- (4) "fiscal body" has the meaning set forth in IC 36-1-2-6;
- (5) "homestead" has the meaning set forth in IC 6-1.1-20.9-1;
- (6) "property tax liability" means liability for the tax imposed on property under this article determined after application of all credits and deductions under this article, except a credit under this chapter, but does not include any interest or penalty imposed under this article; and
- (7) "qualifying homestead" means a homestead with respect to which:

(A) the 2003 increase:

- (i) exceeds the 2002 liability; and
- (ii) is at least five hundred dollars (\$500); and

(B) the person liable for the 2003 liability is the same person liable for the property taxes for the year in which a credit under this chapter applies.

Sec. 2. Subject to section 6 of this chapter:

- (1) for property taxes first due and payable in 2005, 2006, 2007, and 2008, a county fiscal body may adopt an ordinance to:
 - (A) apply the credit under section 3 of this chapter; or
 - (B) apply the credit under section 4 of this chapter; and

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(2) for property taxes first due and payable in a year that follows 2008, a county fiscal body may adopt an ordinance to apply the credit under section 3 of this chapter.

Sec. 3. If a credit is authorized under section 2(1)(A) or 2(2) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's tangible property located in the county; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to the person's tangible property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the tangible property for property taxes first due and payable in that calendar year.

Sec. 4. If a credit is authorized under section 2(1)(B) of this chapter for property taxes first due and payable in a calendar year, a person is entitled to a credit against the person's property tax liability with respect to the person's qualifying homestead located in the county in the amount of the product of:

(1) the 2003 increase; multiplied by

(2) the percentage from the following table corresponding to the year in which property taxes are first due and payable:

YEAR	PERCENTAGE
2005	80%
2006	60%
2007	40%
2008	20%

Sec. 5. (a) A person is not required to file an application for the credit under this chapter. The county auditor shall:

(1) identify property in the county eligible for a credit under this chapter; and

(2) apply the credit.

(b) The county auditor and county treasurer may apply the credit under this chapter for property taxes first due and payable in 2005 by adjustment of the statement for the property tax installment due November 10, 2005.

Sec. 6. (a) A county fiscal body adopting an ordinance to apply a credit under this chapter must adopt the ordinance before July 1 of a calendar year to authorize the credit for property taxes first

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1 due and payable in the immediately succeeding calendar year.

2 (b) An ordinance adopted under section 2(1) of this chapter may
3 identify which of the credits applies for one (1) or more of the years
4 referred to in section 2(1) of this chapter.

5 (c) An ordinance adopted under section 2(2) of this chapter may
6 apply the credit permitted in section 2(2) of this chapter for one (1)
7 or more of the years referred to in section 2(2) of this chapter.

8 (d) A county fiscal body may amend an ordinance adopted under
9 this chapter before July 1 of a year to change the application of the
10 credits under this chapter for subsequent years.

11 Sec. 7. (a) A political subdivision may use any source of revenue
12 available to the political subdivision to offset a revenue loss that
13 would otherwise result from the application of credits under this
14 chapter.

15 (b) A political subdivision may not appeal for an excessive levy
16 in a year succeeding a year in which a credit under this chapter
17 applies to make up for a revenue loss that results from the
18 application of the credit.

19 SECTION 17. IC 6-1.1-33.5-7 IS ADDED TO THE INDIANA
20 CODE AS A NEW SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) Not later than May 1 of each
22 calendar year, the division of data analysis shall:

23 (1) prepare a report that includes each political subdivision's
24 total amount of expenditures per person during the
25 immediately preceding calendar year, based on the political
26 subdivision's population determined by the most recent federal
27 decennial census;

28 (2) post the report on the web site maintained by the
29 department of local government finance; and

30 (3) file the report:

31 (A) with the governor; and

32 (B) in an electronic format under IC 5-14-6 with the general
33 assembly.

34 (b) The department of local government finance shall organize
35 the report under subsection (a) to present together the information
36 derived from each type of political subdivision.

37 SECTION 18. IC 6-1.5-5-2 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) After receiving
39 a petition for review that is filed under a statute listed in section 1(a) of
40 this chapter, the Indiana board shall, at its earliest opportunity:

41 (1) conduct a hearing; or

42 (2) cause a hearing to be conducted by an administrative law judge.

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The Indiana board may determine to conduct the hearing under subdivision (1) on its own motion or on request of a party to the appeal.

(b) In its resolution of a petition, the Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

(c) The Indiana board shall give notice of the date fixed for the hearing **and send a copy of the petition filed under section 1 of this chapter**, by mail, to:

(1) the taxpayer;

(2) the department of local government finance; and

(3) the appropriate:

(A) township assessor;

(B) county assessor; and

(C) county auditor.

(d) With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notices required under subsection (c) must include the following:

(1) The assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed under section 1 of this chapter.

(2) The action of the department of local government finance with respect to the appealed items.

(3) A statement that a taxing unit receiving the notice from the county auditor under subsection (e) may:

(A) attend the hearing;

(B) offer testimony; and

(C) file an amicus curiae brief in the proceeding.

A taxing unit that receives a notice from the county auditor under subsection (e) is not a party to the appeal.

(e) If, after receiving notice of a hearing under subsection (c), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of

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the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(d) (f) The Indiana board shall give the notices required under subsection (c) at least thirty (30) days before the day fixed for the hearing.

SECTION 19. IC 6-1.5-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. After the hearing, the Indiana board shall give the petitioner, the township assessor, the county assessor, the county auditor, **the affected taxing units required to be notified under section 2(e) of this chapter**, and the department of local government finance:

(1) notice, by mail, of its final determination, findings of fact, and conclusions of law; and

(2) notice of the procedures the petitioner or the department of local government finance must follow in order to obtain court review of the final determination of the Indiana board.

SECTION 20. IC 6-3.1-1-3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. A taxpayer (as defined in the following laws), pass through entity (as defined in the following laws), or shareholder, partner, or member of a pass through entity may not be granted more than one (1) tax credit under the following laws for the same project:**

(1) IC 6-3.1-10 (enterprise zone investment cost credit).

(2) IC 6-3.1-11 (industrial recovery tax credit).

(3) IC 6-3.1-11.5 (military base recovery tax credit).

(4) IC 6-3.1-11.6 (military base investment cost credit).

(5) IC 6-3.1-13.5 (capital investment tax credit).

(6) IC 6-3.1-19 (community revitalization enhancement district tax credit).

(7) IC 6-3.1-24 (venture capital investment tax credit).

(8) IC 6-3.1-26 (Hoosier business investment tax credit).

If a taxpayer, pass through entity, or shareholder, partner, or member of a pass through entity has been granted more than one (1) tax credit for the same project, the taxpayer, pass through entity, or shareholder, partner, or member of a pass through entity must elect to apply only one (1) of the tax credits in the manner and form prescribed by the department.

SECTION 21. IC 6-3.1-13-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. This section applies to an application proposing a project to create new jobs in Indiana.

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After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all of the following conditions exist:

(1) The applicant's project will create new jobs that were not jobs previously performed by employees of the applicant in Indiana.

(2) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana.

(3) The political subdivisions affected by the project have committed significant local incentives with respect to the project.

(4) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not creating new jobs in Indiana.

(5) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(6) The credit is not prohibited by section 16 of this chapter.

(7) If the business is located in a community revitalization enhancement district established under IC 36-7-13 or a certified technology park established under IC 36-7-32, the legislative body of the political subdivision establishing the district or park has adopted an ordinance recommending the granting of a credit amount that is at least equal to the credit amount provided in the agreement.

SECTION 22. IC 6-3.1-13-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15.5. This section applies to an application proposing to retain existing jobs in Indiana. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all the following conditions exist:

(1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.

(2) The applicant provides evidence that there is at least one (1) other competing site outside Indiana that is being considered for the project or for the relocation of jobs.

(3) A disparity is identified, using the best available data, in the projected costs for the applicant's project in Indiana compared with the costs for the project in the competing site.

(4) The applicant is engaged in research and development, manufacturing, or business services (as defined in the Standard Industrial Classification Manual of the United States Office of Management and Budget).

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(5) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year exceeds the average compensation paid during that same period to all employees in the county in which the applicant's business is located by at least five percent (5%).

(6) The applicant employs at least two hundred (200) employees in Indiana.

(7) The applicant has prepared a plan for the use of the credits under this chapter for:

(A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or

(B) other direct business related investments, including but not limited to training.

(8) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(9) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(10) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(11) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed at least one dollar and fifty cents (\$1.50) of local incentives with respect to the retention of jobs for every three dollars (\$3) in credits provided under this chapter: **in an amount determined by the corporation.** For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(12) The credit is not prohibited by section 16 of this chapter.

(13) If the business is located in a community revitalization enhancement district established under IC 36-7-13 or a certified technology park established under IC 36-7-32, the legislative body of the political subdivision establishing the district or park has adopted an ordinance recommending the granting of a credit amount that is at least equal to the credit amount provided in the agreement.

SECTION 23. IC 6-3.1-13-17 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. In determining the credit amount that should be awarded to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana, the board shall take into consideration the following factors:

(1) The economy of the county where the projected investment is to occur.

(2) The potential impact on the economy of Indiana.

(3) The incremental payroll attributable to the project.

(4) The capital investment attributable to the project.

(5) The amount the average wage paid by the applicant exceeds the average wage paid within the county in which the project will be located.

(6) The costs to Indiana and the affected political subdivisions with respect to the project.

(7) The financial assistance that is otherwise provided by Indiana and the affected political subdivisions.

(8) The extent to which the incremental income tax withholdings attributable to the applicant's project are needed for the purposes of an incremental tax financing fund or industrial development fund under IC 36-7-13 or a certified technology park fund under IC 36-7-32.

As appropriate, the board shall consider the factors in this section to determine the credit amount awarded to an applicant for a project to retain existing jobs in Indiana under section 15.5 of this chapter. In the case of an applicant under section 15.5 of this chapter, the board shall consider the magnitude of the cost differential between the projected costs for the applicant's project in the competing site outside Indiana and the projected costs for the applicant's project in Indiana.

SECTION 24. IC 6-3.1-13-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) The ~~board~~ **corporation** shall determine the amount and duration of a tax credit awarded under this chapter. The duration of the credit may not exceed ten (10) taxable years. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. In the case of a credit awarded for a project to create new jobs in Indiana, the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which case the ~~excess shall be refunded to the taxpayer~~ **may carry the excess credit over for a period not to exceed the taxpayer's following two (2) taxable years. The amount of the credit carryover from a taxable year shall be**

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1 reduced to the extent that the carryover is used by the taxpayer to
 2 obtain a credit under this chapter for any subsequent taxable year.
 3 A taxpayer is not entitled to a carryback or refund of any unused
 4 credit amount.

5 (b) For state fiscal years 2004, ~~and 2005~~, **2006, and 2007**, the
 6 aggregate amount of credits awarded under this chapter for projects to
 7 retain existing jobs in Indiana may not exceed five million dollars
 8 (\$5,000,000) per year.

9 SECTION 25. IC 6-3.1-13-19 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. In the case of a
 11 credit awarded for a project to create new jobs in Indiana, the ~~board~~
 12 **corporation** shall enter into an agreement with an applicant that is
 13 awarded a credit under this chapter. The agreement must include all of
 14 the following:

15 (1) A detailed description of the project that is the subject of the
 16 agreement.

17 (2) The duration of the tax credit and the first taxable year for
 18 which the credit may be claimed.

19 (3) The credit amount that will be allowed for each taxable year.

20 (4) A requirement that the taxpayer shall maintain operations at the
 21 project location for at least two (2) ~~times the number of years as~~
 22 ~~the term of following the last taxable year in which the~~
 23 ~~applicant claims the tax credit or carries over an unused portion~~
 24 ~~of the tax credit under section 18 of this chapter.~~ A taxpayer is

25 subject to an assessment under section 22 of this chapter for
 26 noncompliance with the requirement described in this subdivision.

27 (5) A specific method for determining the number of new
 28 employees employed during a taxable year who are performing
 29 jobs not previously performed by an employee.

30 (6) A requirement that the taxpayer shall annually report to the
 31 ~~board~~ **corporation** the number of new employees who are
 32 performing jobs not previously performed by an employee, the new
 33 income tax revenue withheld in connection with the new
 34 employees, and any other information the director needs to perform
 35 the director's duties under this chapter.

36 (7) A requirement that the director is authorized to verify with the
 37 appropriate state agencies the amounts reported under subdivision
 38 (6), and after doing so shall issue a certificate to the taxpayer
 39 stating that the amounts have been verified.

40 (8) A requirement that the taxpayer shall provide written
 41 notification to the director and the ~~board~~ **corporation** not more
 42 than thirty (30) days after the taxpayer makes or receives a

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proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.

(9) Any other performance conditions that the **board corporation** determines are appropriate.

SECTION 26. IC 6-3.1-13-19.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19.5. (a) In the case of a credit awarded for a project to retain existing jobs in Indiana, the **board corporation** shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

(1) A detailed description of the business that is the subject of the agreement.

(2) The duration of the tax credit and the first taxable year for which the credit may be claimed.

(3) The credit amount that will be allowed for each taxable year.

(4) A requirement that the applicant shall maintain operations at the project location for at least two (2) ~~times the number of years as the term of following the last taxable year in which the applicant claims the tax credit or carries over an unused portion of the tax credit under section 18 of this chapter.~~ An applicant

is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.

(5) A requirement that the applicant shall annually report the following to the ~~board~~ **corporation**:

(A) The number of employees who are employed in Indiana by the applicant.

(B) The compensation (including benefits) paid to the applicant's employees in Indiana.

(C) The amount of the:

(i) facility improvements;

(ii) equipment and machinery upgrades, repairs, or retrofits; or

(iii) other direct business related investments, including training.

(6) A requirement that the applicant shall provide written notification to the director and the **board corporation** not more than thirty (30) days after the applicant makes or receives a proposal that would transfer the applicant's state tax liability obligations to a successor taxpayer.

(7) A requirement that the chief executive officer of the company applying for a credit under this chapter must verify under penalty of perjury that the disparity between projected costs of the applicant's project in Indiana compared with the costs for the

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project in a competing site is real and actual.

(8) Any other performance conditions that the ~~board~~ **corporation** determines are appropriate.

(b) An agreement between an applicant and the ~~board~~ **corporation** must be submitted to the budget committee for review and must be approved by the budget agency before an applicant is awarded a credit under this chapter for a project to retain existing jobs in Indiana.

SECTION 27. IC 6-3.1-19-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 4. If the amount of the credit determined under section 3 of this chapter for a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over ~~to for not more than nine (9)~~ **of** the immediately following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or refund of any unused credit.

SECTION 28. IC 6-3.1-26-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. ~~(a)~~ The total amount of a tax credit claimed **for a taxable year** under this chapter equals ~~thirty ten percent (30%)~~ **(10%)** of the amount of a qualified investment made by the taxpayer in Indiana **during that taxable year**.

~~(b) In the taxable year in which a taxpayer makes a qualified investment, the taxpayer may claim a credit under this chapter in an amount equal to the lesser of:~~

~~(1) thirty percent (30%) of the amount of the qualified investment;~~

~~or~~

~~(2) the taxpayer's state tax liability growth.~~

The taxpayer may carry forward any unused credit.

SECTION 29. IC 6-3.1-26-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) A taxpayer may carry forward an unused credit for not more than ~~nine (9)~~ **five (5)** consecutive taxable years beginning with the taxable year after the taxable year in which the taxpayer makes the qualified investment.

(b) The amount that a taxpayer may carry forward to a particular taxable year under this section equals the ~~lesser of the following:~~

~~(1) The taxpayer's state tax liability growth.~~

~~(2) The unused part of a credit allowed under this chapter.~~

(c) A taxpayer may:

(1) claim a tax credit under this chapter for a qualified investment; and

(2) carry forward a remainder for one (1) or more different

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1 qualified investments;
2 in the same taxable year.

3 (d) The total amount of each tax credit claimed under this chapter
4 may not exceed ~~thirty ten~~ percent (~~30%~~) (**10%**) of the qualified
5 investment for which the tax credit is claimed.

6 SECTION 30. IC 6-3.1-26-16 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. If a pass through
8 entity does not have state tax liability ~~growth~~ against which the tax
9 credit may be applied, a shareholder or partner of the pass through
10 entity is entitled to a tax credit equal to:

11 (1) the tax credit determined for the pass through entity for the
12 taxable year; multiplied by

13 (2) the percentage of the pass through entity's distributive income
14 to which the shareholder or partner is entitled.

15 SECTION 31. IC 6-3.1-26-18 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. After receipt of an
17 application, the ~~board corporation~~ may enter into an agreement with
18 the applicant for a credit under this chapter if the ~~board corporation~~
19 determines that all the following conditions exist:

20 ~~(1) The applicant has conducted business in Indiana for at least one~~
21 ~~(1) year immediately preceding the date the application is received.~~

22 ~~(2)~~ **(1)** The applicant's project will raise the total earnings of
23 employees of the applicant in Indiana.

24 ~~(3)~~ **(2)** The applicant's project is economically sound and will
25 benefit the people of Indiana by increasing opportunities for
26 employment and strengthening the economy of Indiana.

27 ~~(4)~~ **(3)** Receiving the tax credit is a major factor in the applicant's
28 decision to go forward with the project and not receiving the tax
29 credit will result in the applicant not raising the total earnings of
30 employees in Indiana.

31 ~~(5)~~ **(4)** Awarding the tax credit will result in an overall positive
32 fiscal impact to the state, as certified by the budget agency using
33 the best available data.

34 ~~(6)~~ **(5)** The credit is not prohibited by section 19 of this chapter.

35 ~~(7)~~ **(6)** The average wage that will be paid by the taxpayer to its
36 employees (excluding highly compensated employees) at the
37 location after the credit is given will be at least equal to one
38 hundred fifty percent (150%) of the hourly minimum wage under
39 IC 22-2-2-4 or its equivalent.

40 SECTION 32. IC 6-3.5-7-25 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE MARCH 31, 2005 (RETROACTIVE)]: Sec.
42 25. (a) This section applies only to a county that has adopted an

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ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after January 1 but before ~~April~~ **June** 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance applies; and

(3) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection ~~(g)~~; **(i)**; and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the county auditor shall, for each calendar year in which an increased homestead

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credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(3)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and

(2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-41 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-41 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

(1) an ordinance under subsection (c); and

(2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. **However, notwithstanding subsection (c)(1),**

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1 the ordinance must state that it first applies to certified
 2 distributions in the calendar year in which property taxes are
 3 initially affected by the deduction under IC 6-1.1-12-41.

4 SECTION 33. IC 6-3.5-7-25.5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2005]: **Sec. 25.5. Subject to the approval of**
 7 **the imposing entity, the county auditor may adjust the increased**
 8 **percentage of homestead credit determined under section 25(h)(2)**
 9 **of this chapter if the county auditor determines that the adjustment**
 10 **is necessary to achieve an equitable reduction of property taxes**
 11 **among the homesteads in the county.**

12 SECTION 34. IC 6-3.5-7-26 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) This section
 14 applies only to homestead credits for property taxes first due and
 15 payable after calendar year 2006.

16 (b) For purposes of this section, "adopting entity" means:

- 17 (1) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or
- 18 (2) any other entity that may impose a county economic
- 19 development income tax under section 5 of this chapter.

20 (c) An adopting entity may adopt an ordinance to provide for the use
 21 of the certified distribution described in section 16(c) of this chapter for
 22 the purpose provided in subsection (e). An adopting entity that adopts
 23 an ordinance under this subsection shall use the procedures set forth in
 24 IC 6-3.5-6 concerning the adoption of an ordinance for the imposition
 25 of the county option income tax. An ordinance must be adopted under
 26 this subsection after January 1 but before April 1 of a calendar year.
 27 The ordinance may provide for an additional rate under section 5(p) of
 28 this chapter. An ordinance adopted under this subsection:

- 29 (1) first applies to the certified distribution described in section
- 30 16(c) of this chapter made in the later of the calendar year that
- 31 immediately succeeds the calendar year in which the ordinance is
- 32 adopted or calendar year 2007; and
- 33 (2) must specify that the certified distribution must be used to
- 34 provide for:
 - 35 (A) uniformly applied increased homestead credits as provided
 - 36 in subsection (f); or
 - 37 (B) allocated increased homestead credits as provided in
 - 38 subsection (h).

39 An ordinance adopted under this subsection may be combined with an
 40 ordinance adopted under section 25 of this chapter.

41 (d) If an ordinance is adopted under subsection (c), the percentage of
 42 the certified distribution specified in the ordinance for use for the

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purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection ~~(g)~~; **(i)**; and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(2)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and
- (2) **except as provided in subsection (j)**, an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to

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the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of homestead credit determined under subsection (h)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county.

SECTION 35. IC 20-14-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 14. Review of Budgets of Appointed Boards

Sec. 1. Before an appointed library board described in IC 6-1.1-17-20(a)(2)(B) may impose a property tax levy for the operating budget of a public library for the ensuing calendar year that is more than five percent (5%) greater than the property tax levy for the operating budget of the public library for the current calendar year, the library board must submit its proposed budget and property tax levy to the appropriate fiscal body under section 2 of this chapter.

Sec. 2. An appointed library board subject to section 1 of this chapter shall submit its proposed operating budget and property tax levy for the operating budget to the following fiscal body at least fourteen (14) days before the first meeting of the county board of tax adjustment under IC 6-1.1-29-4:

- (1) If the library district is located entirely within the corporate boundaries of a municipality, the fiscal body of the municipality.**
- (2) If the library district:**
 - (A) is not described by subdivision (1); and**
 - (B) is located entirely within the boundaries of a township; the fiscal body of the township.**
- (3) If the library district is not described by subdivision (1) or (2), the fiscal body of each county in which the library district is located.**

SECTION 36. IC 36-1-8-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 8.5. (a) If a unit receives money under an economic**

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development agreement with the licensed owner of a riverboat, the money may be used:

- (1) to reduce the property tax levy of the unit for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the unit under IC 6-1.1-18.5); and
- (2) for any other legal or corporate purpose of the unit.

(b) If a unit receives money under an agreement to share revenue that another unit received under an economic development agreement with the licensed owner of a riverboat, the money may be used:

- (1) to reduce the property tax levy of the unit for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the unit under IC 6-1.1-18.5); and
- (2) for any other legal or corporate purpose of the unit.

SECTION 37. IC 36-1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) ~~Each unit that receives tax revenue under IC 4-33-12-6; IC 4-33-13; or an agreement to share a city's or county's part of the tax revenue~~ A unit may establish a riverboat fund. A riverboat fund established under this section consists of:

- (1) tax revenue received by the unit under IC 4-33-12-6 or IC 4-33-13;
- (2) money received under an agreement to share tax revenue that another unit received under IC 4-33-12-6 or IC 4-33-13;
- (3) money received under an economic development agreement with the licensed owner of a riverboat; or
- (4) money received under an agreement to share revenue that another unit received under an economic development agreement with the licensed owner of a riverboat.

(b) Money in the fund may be used:

- (1) to reduce the property tax levy of the unit for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the unit under IC 6-1.1-18.5); and
- (2) for any legal or corporate purpose of the unit.

~~(b)~~ (c) The riverboat fund established under subsection (a) shall be administered by the unit's treasurer, and the expenses of administering the fund shall be paid from money in the fund. Money in the fund not currently needed to meet the obligations of the fund may be invested in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund. Money in the fund at the end of a particular fiscal year does not revert to the unit's general fund.

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SECTION 38. IC 36-7-13-3.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.4. (a) Except as provided in subsection (b), as used in this chapter, "income tax incremental amount" means the remainder of:

(1) the aggregate amount of state and local income taxes paid by employees employed in a district with respect to wages earned for work in the district for a particular state fiscal year; minus

(2) the **sum of the:**

(A) income tax base period amount; and

(B) **tax credits awarded by the economic development for a growing economy board under IC 6-3.1-13 to businesses operating in a district as the result of wages earned for work in the district for the state fiscal year;**

as determined by the department of state revenue under section 14 of this chapter.

(b) For purposes of a district designated under section 12.1 of this chapter, "income tax incremental amount" means seventy-five percent (75%) of the amount described in subsection (a).

SECTION 39. IC 36-7-13-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10.5. (a) This section applies only to a county that meets the following conditions:

(1) The county's annual rate of unemployment has been above the average annual statewide rate of unemployment during at least three (3) of the preceding five (5) years.

(2) The median income of the county has:

(A) declined over the preceding ten (10) years; or

(B) has grown at a lower rate than the average annual statewide growth in median income during at least three (3) of the preceding five (5) years.

(3) The population of the county (as determined by the legislative body of the county) has declined over the preceding ten (10) years.

(b) Except as provided in section 10.7 of this chapter, in a county described in subsection (a), the legislative body of the county may adopt an ordinance designating an unincorporated part or unincorporated parts of the county as a district, and the legislative body of a municipality located within the county may adopt an ordinance designating a part or parts of the municipality as a district, if the legislative body finds all of the following:

(1) The area to be designated as a district contains a building or buildings that:

(A) have a total of at least fifty thousand (50,000) square feet of usable interior floor space; and

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(B) are vacant or will become vacant due to the relocation of the employer or the cessation of operations on the site by the employer.

(2) Significantly fewer persons are employed in the area to be designated as a district than were employed in the area during the year that is ten (10) years previous to the current year.

(3) There are significant obstacles to redevelopment in the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or inefficient utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination or remediation.

(c) A legislative body adopting an ordinance under subsection (b) shall designate the duration of the district. However, a district must terminate not later than fifteen (15) years after the income tax incremental amount or gross retail incremental amount is first allocated to the district.

(d) Except as provided in section 10.7 of this chapter, upon adoption of an ordinance designating a district, the legislative body shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit in the county where the district is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the district, including the following:

(i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

(e) Upon completion of the actions required by subsection (d), the legislative body shall submit the ordinance to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on an ordinance designating a district within one hundred twenty (120) days after the date that the ordinance is submitted to the budget committee, the designation of the district by the ordinance is considered approved.

~~(e)~~ **(f)** Except as provided in section 10.7 of this chapter, when

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1 considering the designation of a district by an ordinance adopted under
 2 this section, the budget committee and the budget agency must make
 3 the following findings before approving the designation of the district:

4 (1) The area to be designated as a district meets the conditions
 5 necessary for the designation as a district.

6 (2) The designation of the district will benefit the people of Indiana
 7 by protecting or increasing state and local tax bases and tax
 8 revenues for at least the duration of the district.

9 ~~(f)~~ (g) Except as provided in section 10.7 of this chapter, the income
 10 tax incremental amount and the gross retail incremental amount may
 11 not be allocated to the district until the designation of the district by the
 12 local ordinance is approved under this section.

13 SECTION 40. IC 36-7-13-12 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) If a municipal
 15 or county executive has submitted an application to an advisory
 16 commission on industrial development requesting that an area be
 17 designated as a district under this chapter and the advisory commission
 18 has compiled and prepared the information required under section 11
 19 of this chapter concerning the area, the advisory commission may adopt
 20 a resolution designating the area as a district if it makes the findings
 21 described in subsection (b), (c), (d), or (e). In a county described in
 22 subsection (c), an advisory commission may designate more than one
 23 (1) district under subsection (c).

24 (b) For an area located in a county having a population of more than
 25 one hundred twenty thousand (120,000) but less than one hundred
 26 thirty thousand (130,000), an advisory commission may adopt a
 27 resolution designating a particular area as a district only after finding
 28 all of the following:

29 (1) The area contains a building or buildings:

30 (A) with at least one million (1,000,000) square feet of usable
 31 interior floor space; and

32 (B) that is or are vacant or will become vacant due to the
 33 relocation of an employer.

34 (2) At least one thousand (1,000) fewer persons are employed in
 35 the area than were employed in the area during the year that is ten
 36 (10) years previous to the current year.

37 (3) There are significant obstacles to redevelopment of the area
 38 due to any of the following problems:

39 (A) Obsolete or inefficient buildings.

40 (B) Aging infrastructure or inefficient utility services.

41 (C) Utility relocation requirements.

42 (D) Transportation or access problems.

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(E) Topographical obstacles to redevelopment.

(F) Environmental contamination.

(4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).

(5) The area is located in a county having a population of more than one hundred twenty thousand (120,000) but less than one hundred thirty thousand (130,000).

(c) For a county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000), an advisory commission may adopt a resolution designating not more than two (2) areas as districts. An advisory commission may designate an area as a district only after finding the following:

(1) The area meets either of the following conditions:

(A) The area contains a building with at least seven hundred ninety thousand (790,000) square feet, and at least eight hundred (800) fewer people are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.

(B) The area contains a building with at least three hundred eighty-six thousand (386,000) square feet, and at least four hundred (400) fewer people are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.

(2) The area is located in or is adjacent to an industrial park.

(3) There are significant obstacles to redevelopment of the area due to any of the following problems:

(A) Obsolete or inefficient buildings.

(B) Aging infrastructure or inefficient utility services.

(C) Utility relocation requirements.

(D) Transportation or access problems.

(E) Topographical obstacles to redevelopment.

(F) Environmental contamination.

(4) The area is located in a county having a population of more than one hundred eighteen thousand (118,000) but less than one hundred twenty thousand (120,000).

(d) For an area located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:

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- (1) The area contains a building or buildings:
 - (A) with at least one million five hundred thousand (1,500,000) square feet of usable interior floor space; and
 - (B) that is or are vacant or will become vacant.
- (2) At least eighteen thousand (18,000) fewer persons are employed in the area at the time of application than were employed in the area before the time of application.
- (3) There are significant obstacles to redevelopment of the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings.
 - (B) Aging infrastructure or inefficient utility services.
 - (C) Utility relocation requirements.
 - (D) Transportation or access problems.
 - (E) Topographical obstacles to redevelopment.
 - (F) Environmental contamination.
- (4) The unit has expended, appropriated, pooled, set aside, or pledged at least one hundred thousand dollars (\$100,000) for purposes of addressing the redevelopment obstacles described in subdivision (3).
- (5) The area is located in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).
- (e) For an area located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000), an advisory commission may adopt a resolution designating a particular area as a district only after finding all of the following:
 - (1) The area contains a building or buildings:
 - (A) with at least eight hundred thousand (800,000) gross square feet; and
 - (B) having leasable floor space, at least fifty percent (50%) of which is or will become vacant.
 - (2) There are significant obstacles to redevelopment of the area due to any of the following problems:
 - (A) Obsolete or inefficient buildings as evidenced by a decline of at least seventy-five percent (75%) in their assessed valuation during the preceding ten (10) years.
 - (B) Transportation or access problems.
 - (C) Environmental contamination.
 - (3) At least four hundred (400) fewer persons are employed in the area than were employed in the area during the year that is fifteen (15) years previous to the current year.
 - (4) The area has been designated as an economic development

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target area under IC 6-1.1-12.1-7.

(5) The unit has appropriated, pooled, set aside, or pledged at least two hundred fifty thousand dollars (\$250,000) for purposes of addressing the redevelopment obstacles described in subdivision (2).

(6) The area is located in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000).

(f) The advisory commission, or the county or municipal legislative body, in the case of a district designated under section 10.5 of this chapter, shall designate the duration of the district. However, a district must terminate not later than fifteen (15) years after the income tax incremental amount or gross retail incremental amount is first allocated to the district.

(g) Upon adoption of a resolution designating a district, the advisory commission shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit in the county where the district is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the district, including the following:

(i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

(h) Upon completion of the actions required by subsection (g), the advisory commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on a resolution designating a district within one hundred twenty (120) days after the date that the resolution is submitted to the budget committee, the designation of the district by the resolution is considered approved.

~~(h)~~ **(i) When considering a resolution, the budget committee and the budget agency must make the following findings:**

(1) The area to be designated as a district meets the conditions necessary for designation as a district.

(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax

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revenues for at least the duration of the district.

(j) The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the resolution is approved under this section.

SECTION 41. IC 36-7-13-12.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12.1. (a) If the executive of a city described in section 10.1(a) of this chapter has submitted an application to an advisory commission on industrial development requesting that an area be designated as a district under this chapter and the advisory commission has compiled and prepared the information required under section 11 of this chapter concerning the area, the advisory commission may adopt a resolution designating the area as a district if it finds the following:

(1) That the redevelopment of the area in the district will:

- (A) promote significant opportunities for the gainful employment of its citizens;
- (B) attract a major new business enterprise to the area; or
- (C) retain or expand a significant business enterprise within the area.

(2) That there are significant obstacles to redevelopment of the area due to any of the following problems:

- (A) Obsolete or inefficient buildings.
- (B) Aging infrastructure or ineffective utility services.
- (C) Utility relocation requirements.
- (D) Transportation or access problems.
- (E) Topographical obstacles to redevelopment.
- (F) Environmental contamination.
- (G) Lack of development or cessation of growth.
- (H) Deterioration of improvements or character of occupancy, age, obsolescence, or substandard buildings.
- (I) Other factors that have impaired values or prevent a normal development of property or use of property.

(b) To address the obstacles identified in subsection (a)(2), the city may make expenditures for:

- (1) the acquisition of land;
- (2) interests in land;
- (3) site improvements;
- (4) infrastructure improvements;
- (5) buildings;
- (6) structures;
- (7) rehabilitation, renovation, and enlargement of buildings and structures;

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- (8) machinery;
- (9) equipment;
- (10) furnishings;
- (11) facilities;
- (12) administration expenses associated with such a project;
- (13) operating expenses; or
- (14) substance removal or remedial action to the area.

(c) In addition to the findings described in subsection (a), an advisory commission must also find that the city described in section 10.1(a) of this chapter has expended, appropriated, pooled, set aside, or pledged at least two hundred fifty thousand dollars (\$250,000) for purposes of addressing the redevelopment obstacles described in subsection (a)(2).

(d) The advisory commission shall designate the duration of the district. However, a district must terminate not later than fifteen (15) years after the income tax incremental amount or gross retail incremental amount is first allocated to the district under this chapter.

(e) Upon adoption of a resolution designating a district, the advisory commission shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit in the county where the district is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the district, including the following:

(i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

(f) Upon completion of the actions required by subsection (e), the advisory commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. If the budget agency fails to take action on a resolution designating a district within one hundred twenty (120) days after the date that the resolution is submitted to the budget committee, the designation of the district by the resolution is considered approved.

(g) When considering a resolution, the budget committee and the budget agency must make the following findings:

(1) The area to be designated as a district meets the conditions necessary for designation as a district.

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(2) The designation of the district will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the district.

~~(g)~~ **(h)** The income tax incremental amount and the gross retail incremental amount may not be allocated to the district until the resolution is approved under this section.

SECTION 42. IC 36-7-13-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) If an advisory commission on industrial development designates a district under section 12 or 12.1 of this chapter or if the legislative body of a county or municipality adopts an ordinance designating a district under section 10.5 of this chapter, the advisory commission, or the legislative body in the case of a district designated under section 10.5 of this chapter, shall send a certified copy of the resolution or ordinance designating the district to the department of state revenue by certified mail and shall include with the resolution a complete list of the following:

(1) Employers in the district.

(2) Street names and the range of street numbers of each street in the district.

(3) Federal tax identification number of each business in the district.

(4) The street address of each employer.

(5) Name, telephone number, and electronic mail address (if available) of a contact person for each employer.

(b) The advisory commission, or the legislative body in the case of a district designated under section 10.5 of this chapter, shall update the list:

(1) before July 1 of each year; or

(2) within fifteen (15) days after the date that the budget agency approves a petition to modify the boundaries of the district under section 12.5 of this chapter.

(c) Not later than sixty (60) days after receiving a copy of the resolution or ordinance designating a district, the department of state revenue shall determine the gross retail base period amount and the income tax base period amount.

(d) Not later than sixty (60) days after receiving a certification of a district's modified boundaries under section 12.5(c) of this chapter, the department shall recalculate the gross retail base period amount and the income tax base period amount for a district modified under section 12.5 of this chapter.

SECTION 43. IC 36-7-13-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

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1 Sec. 14. (a) Before the first business day in October of each year, the
2 department shall calculate the income tax incremental amount and the
3 gross retail incremental amount for the preceding state fiscal year for
4 each district designated under this chapter.

5 **(b) Businesses operating in the district shall report, in the**
6 **manner and in the form prescribed by the department, information**
7 **that the department determines necessary to calculate incremental**
8 **gross retail, use, and income taxes.**

9 ~~(b)~~ (c) Not later than sixty (60) days after receiving a certification of
10 a district's modified boundaries under section 12.5(c) of this chapter,
11 the department shall recalculate the income tax incremental amount
12 and the gross retail incremental amount for the preceding state fiscal
13 year for a district modified under section 12.5 of this chapter.

14 SECTION 44. IC 36-7-31-12 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) Upon adoption
16 of a resolution establishing a tax area under section 14 of this chapter,
17 the commission shall submit the resolution to the budget committee for
18 review and recommendation to the budget agency. The budget
19 committee shall meet not later than ~~ten (10)~~ sixty (60) days after
20 receipt of a resolution and shall make a recommendation on the
21 resolution to the budget agency.

22 **(b) Upon adoption of a resolution changing the boundaries of a**
23 **tax area under section 14 of this chapter, the commission shall:**

24 **(1) publish notice of the adoption and substance of the**
25 **resolution in accordance with IC 5-3-1; and**

26 **(2) file the following information with each taxing unit in the**
27 **county in which the district is located:**

28 **(A) A copy of the notice required by subdivision (1).**

29 **(B) A statement disclosing the impact of the district,**
30 **including the following:**

31 **(i) The estimated economic benefits and costs incurred by**
32 **the district, as measured by increased employment and**
33 **anticipated growth of property assessed values.**

34 **(ii) The anticipated impact on tax revenues of each taxing**
35 **unit.**

36 **The notice must state the general boundaries of the district.**

37 **(c) Upon completion of the actions required by subsection (b), the**
38 **commission shall submit the resolution to the budget committee for**
39 **review and recommendation to the budget agency. The budget**
40 **committee shall meet not later than sixty (60) days after receipt of**
41 **a resolution and shall make a recommendation on the resolution to**
42 **the budget agency.**

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SECTION 45. IC 36-7-31.3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the designating body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

(b) Upon adoption of a resolution changing the boundaries of a tax area under section 10 of this chapter, the commission shall:

(1) publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1; and

(2) file the following information with each taxing unit in the county where the district is located:

(A) A copy of the notice required by subdivision (1).

(B) A statement disclosing the impact of the district, including the following:

(i) The estimated economic benefits and costs incurred by the district, as measured by increased employment and anticipated growth of property assessed values.

(ii) The anticipated impact on tax revenues of each taxing unit.

The notice must state the general boundaries of the district.

(c) Upon completion of the actions required by subsection (b), the commission shall submit the resolution to the budget committee for review and recommendation to the budget agency. The budget committee shall meet not later than sixty (60) days after receipt of a resolution and shall make a recommendation on the resolution to the budget agency.

SECTION 46. IC 36-7-32-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. As used in this chapter, "gross retail incremental amount" means the remainder of:

(1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the territory comprising a certified technology park during a state fiscal year; minus

(2) the gross retail base period amount; as determined by the department of state revenue.

SECTION 47. IC 36-7-32-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8.5. As used in this chapter, "income tax incremental amount" means the remainder of:

(1) the total amount of state adjusted gross income taxes, county adjusted gross income tax, county option income taxes,

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and county economic development income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus

(2) the sum of the:

(A) income tax base period amount; and

(B) tax credits awarded by the economic development for a growing economy board under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue.

SECTION 48. IC 6-1.1-4-40 IS REPEALED [EFFECTIVE MARCH 1, 2005 (RETROACTIVE)].

SECTION 49. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 5-3-1-3; IC 6-3.1-26-10.

SECTION 50. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]

(a) IC 6-3.1-1-3, as added by this act, applies to the application of a tax credit against state tax liability for a taxable year beginning after December 31, 2004, regardless of when the tax credit was granted.

(b) IC 6-3.1-13-15, IC 6-3.1-13-15.5, IC 6-3.1-13-17, IC 6-3.1-13-19, and IC 6-3.1-13-19.5, all as amended by this act, apply only to credits awarded by the Indiana economic development corporation under IC 6-3.1-13 after June 30, 2005. Credits awarded under IC 6-3.1-13 before July 1, 2005, remain subject to the provisions of IC 6-3.1-13 as in effect on June 30, 2005. However, an ordinance that is described in IC 6-3.1-13-15(7) or IC 6-3.1-13-15.5(13), both as amended by this act, and that is adopted before July 1, 2005, is valid to the extent that it applies to credits awarded after June 30, 2005.

(c) IC 6-3.1-19-4, as amended by this act, applies only to the carry forward of community revitalization enhancement district tax credits to taxable years beginning after December 31, 2004, regardless of when the taxable year when the credit accrued to the taxpayer.

(d) IC 6-3.1-26-14, IC 6-3.1-26-15, IC 6-3.1-26-16, and IC 6-3.1-26-18, all as amended by this act, apply only to credits awarded by the Indiana economic development corporation under IC 6-3.1-26 after June 30, 2005. Credits awarded under IC 6-3.1-26 before July 1, 2005, remain subject to the provisions of IC 6-3.1-26

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as in effect on June 30, 2005.

(e) IC 36-7-13-3.4, as amended by this act, and IC 36-7-32-8.5, as added by this act, apply only to distributions for a community revitalization enhancement district or certified technology park as the result of wages and salary earned for work in the community revitalization enhancement district or certified technology park after June 30, 2005.

(f) IC 36-7-13-10.5, IC 36-7-13-12.1, IC 36-7-13-13, IC 36-7-31-12, and IC 36-7-31.3-11, all as amended by this act, apply only to districts established or expanded after June 30, 2005.

(g) IC 36-7-13-14, as amended by this act, applies to taxable years beginning after December 31, 2004.

SECTION 51. [EFFECTIVE UPON PASSAGE] (a) An ordinance that:

(1) is adopted under IC 6-1.1-12-41 or IC 6-3.5-7-25 after March 30, 2004, and before the passage of this act; and

(2) would have been valid if this act had been enacted before the time the ordinance was adopted;

shall be treated as valid to the same extent as if this act had been enacted before the ordinance was adopted.

(b) The department of local government finance may adopt interim rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to govern the determination of deductions, the processing of personal property tax returns, and the calculation of the assessed valuation of each taxpayer in cases in which:

(1) the personal property of the taxpayer is eligible for a deduction under IC 6-1.1-12-41, as amended by this act, as the result of the adoption of an ordinance under IC 6-1.1-12-41, as amended by this act, after March 30, 2004; and

(2) the taxpayer did not take the deduction on the taxpayer's personal property tax return.

The rules may include special procedures and filing dates for filing an amended return.

(c) An interim rule adopted under subsection (b) expires on the earliest of the following:

(1) The date that the department of local government finance adopts an interim rule under subsection (b) to supersede a rule previously adopted under subsection (b).

(2) The date that the department of local government finance adopts a permanent rule under IC 4-22-2 to supersede a rule previously adopted under subsection (b).

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(3) The date that the department of local government finance adopts under subsection (b) or IC 4-22-2 a repeal of a rule previously adopted under subsection (b).

(4) December 31, 2006.

SECTION 52. [EFFECTIVE JULY 1, 2005] IC 6-3.5-7-26, as amended by this act, applies only to property taxes first due and payable after December 31, 2006.

SECTION 53. [EFFECTIVE JULY 1, 2005] The following apply only to property taxes first due and payable after December 31, 2005:

(1) IC 6-3.5-7-25.5, as added by this act; and

(2) SECTION 37 of this act.

SECTION 54. [EFFECTIVE JULY 1, 2005] (a) The definitions set forth in IC 5-1-17, as added by this act, apply throughout this SECTION.

(b) Except as otherwise provided by this SECTION, this act applies to bonds issued and leases entered into after June 30, 2005.

(c) If a school corporation conducted the hearing described in IC 20-5-52 before July 1, 2005, the school corporation may issue bonds or execute a lease for the school building construction project that was the subject of the hearing in accordance with the requirements for issuing bonds or executing a lease that were in effect before July 1, 2005.

(d) A political subdivision that meets either of the following conditions may issue bonds or execute a lease in accordance with the requirements for issuing the bonds or entering the lease that were in effect before July 1, 2005:

(1) The political subdivision petitioned the department for approval of the bonds or lease under IC 6-1.1-18.5, IC 6-1.1-19, or any other statute authorizing the department to approve bonds or leases.

(2) With respect to bonds or leases that were not subject to the approval of the department under statutes in effect before July 1, 2005, the political subdivision adopted an ordinance or resolution before July 1, 2005, approving the issuance of the bonds or execution of the lease for a specific purpose or project.

SECTION 55. [EFFECTIVE JULY 1, 2005] IC 6-1.1-20-3.2, as amended by this act, does not apply to a petition and remonstrance procedure that is commenced before July 1, 2005.

SECTION 56. [EFFECTIVE UPON PASSAGE] IC 6-1.1-20.6, as added by this act, applies only to property taxes first due and

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payable after December 31, 2004.

SECTION 57. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) For purposes of this SECTION:

(1) "fiscal body" has the meaning set forth in IC 36-1-2-6;

(2) "settlement amount" means an amount that:

(A) exceeds ten million dollars (\$10,000,000); and

(B) is received by the county auditor on behalf of a county and the political subdivisions in the county in 2005 or 2006 as a result of the settlement of one (1) or more cases before the Indiana tax court concerning the property tax assessments of tangible property that are the basis for determination of property taxes payable by a taxpayer in the county for one (1) or more calendar years that precede 2006; and

(3) "subsequent year's taxes" means the property taxes imposed by a political subdivision on tangible property in the political subdivision, other than property taxes imposed on tangible property for which a taxpayer that paid all or part of the settlement amount is liable, for property taxes first due and payable in the calendar year that immediately succeeds the calendar year in which the settlement amount is received.

(c) The fiscal body of a political subdivision may adopt an ordinance:

(1) before September 1, 2005, to direct the county auditor to use the part of a settlement amount attributable to the political subdivision to apply a credit against the subsequent year's taxes for property taxes first due and payable in 2006; and

(2) before September 1, 2006, to direct the county auditor to use the part of a settlement amount attributable to the political subdivision to apply a credit against the subsequent year's taxes for property taxes first due and payable in 2007.

The total amount of the credits applied under this subsection must equal the part of the settlement amount received by the political subdivision in the immediately preceding calendar year. The settlement amount received must be used to replace the amount of property tax revenue lost due to the allowance of the credit in the political subdivision. The county auditor shall retain the settlement amount and distribute the money to the political subdivisions in the county as though the money were property tax collections and in such a manner that a political subdivision does not suffer a net revenue loss due to the allowance of the credit under this

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subsection.

(d) A credit under subsection (c) applies as a percentage of the liability for property taxes before the application of the credits under IC 6-1.1-20.9 and IC 6-1.1-21. The percentage applicable in a taxing district that is attributable to a political subdivision in which the taxing district is located is determined under the last STEP of the following STEPS:

STEP ONE: Determine the total assessed value of tangible property (after the application of all applicable deductions under IC 6-1.1), other than tangible property for which a taxpayer that paid all or part of the settlement amount is liable for property taxes, in the political subdivision that is the basis for the subsequent year's taxes.

STEP TWO: Determine the total assessed value of tangible property (after the application of all applicable deductions under IC 6-1.1), other than tangible property for which a taxpayer that paid all or part of the settlement amount is liable for property taxes, in the taxing district that constitutes a part of the total assessed value that is the basis for the subsequent year's taxes.

STEP THREE: Determine the quotient of the total assessed value determined under STEP TWO divided by the total assessed value determined under STEP ONE.

STEP FOUR: Determine the product of:

(A) the part of a settlement amount attributable to the political subdivision; multiplied by

(B) the quotient determined in STEP THREE.

STEP FIVE: Determine the total property tax levy in the taxing district for the subsequent year's taxes, before the application of the credits under IC 6-1.1-20.9 and IC 6-1.1-21.

STEP SIX: Determine the quotient of:

(A) the product determined under STEP FOUR; divided by

(B) the remainder determined under STEP FIVE;

expressed as a percentage.

The total credit percentage applicable in a taxing district is the sum of the percentages determined under STEP SIX with respect to all political subdivisions in which the taxing district is located.

(e) If a fiscal body adopts an ordinance under subsection (c):

(1) the part of the settlement amount attributable to the political subdivision is set aside in a separate fund of the political subdivision for the sole purpose of dedicating the money in the fund to providing credits under subsection (c);

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1 (2) money in the separate fund does not become part of the
2 political subdivision's levy excess fund under IC 6-1.1-18.5-17
3 or IC 6-1.1-19-1.7; and
4 (3) for the year in which the subsequent year's taxes are first
5 due and payable, the total county tax levy under
6 IC 6-1.1-21-2(g) is reduced by the part of the settlement
7 amount attributable to the political subdivision that,
8 notwithstanding subdivisions (1) and (2), would have been
9 deposited in the political subdivision's levy excess fund under
10 IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7.
11 (f) This SECTION expires January 1, 2008.
12 SECTION 58. An emergency is declared for this act.

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SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Senate Bill 496.

KENLEY

SENATE MOTION

Madam President: I move that Senator Lubbers be added as coauthor of Senate Bill 496.

KENLEY

SENATE MOTION

Madam President: I move that Senator Hume be removed as second author of Senate Bill 496.

KENLEY

SENATE MOTION

Madam President: I move that Senator Simpson be added as second author and Senator Hume be added as coauthor of Senate Bill 496.

KENLEY

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 496, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 9, line 28, delete ":".

Page 9, line 29, delete "(1)".

Page 9, run in lines 28 through 29.

Page 9, line 30, delete "; and" and insert ".".

Page 9, delete lines 31 through 32.

Page 12, between lines 13 and 14, begin a new line block indented and insert:

"(5) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, the extent to which the building, structure, or public improvement will be made available to residents of the political subdivision for uses other than those planned by the political subdivision."

Page 12, line 14, delete "(5)" and insert "(6)".

Page 14, line 22, after "through" delete "a" and insert **"the Internet or other electronic means, as determined by the department."**

Page 14, delete lines 23 through 24.

Page 15, line 2, delete "quarterly reports and".

Page 15, line 3, delete "annual summaries of".

Page 15, line 4, after "Internet" insert **"at least annually"**.

Page 15, delete lines 10 through 42, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-12-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 30, 2004 (RETROACTIVE)]: Sec. 41. (a) This section does not apply to assessment years beginning after December 31, 2005.

(b) As used in this section, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction allowed under subsection (f).

(c) As used in this section, "county income tax council" means a council established by IC 6-3.5-6-2.

(d) As used in this section, "fiscal body" has the meaning set forth in IC 36-1-2-6.

(e) As used in this section, "inventory" has the meaning set forth in IC 6-1.1-3-11.

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(f) An ordinance may be adopted in a county to provide that a deduction applies to the assessed value of inventory located in the county. The deduction is equal to one hundred percent (100%) of the assessed value of inventory located in the county for the appropriate year of assessment. ~~An ordinance adopted under this subsection must be adopted before January 1 of a calendar year beginning after December 31, 2002.~~ An ordinance adopted under this section in a particular year applies:

(1) if adopted before March 31, 2004, to each subsequent assessment year ending before January 1, 2006; **and**

(2) if adopted after March 30, 2004, and before June 1, 2005, to the March 1, 2005, assessment date.

An ordinance adopted under this section may be consolidated with an ordinance adopted under IC 6-3.5-7-25 or IC 6-3.5-7-26. The consolidation of an ordinance adopted under this section with an ordinance adopted under IC 6-3.5-7-26 does not cause the ordinance adopted under IC 6-3.5-7-26 to expire after December 31, 2005.

(g) An ordinance may not be adopted under subsection (f) after ~~March May 30, 2004.~~ **2005.** However, an ordinance adopted under this section:

(1) before March 31, 2004, may be amended after March 30, 2004; **and**

(2) before June 1, 2005, may be amended after May 30, 2005; to consolidate an ordinance adopted under IC 6-3.5-7-26.

(h) The entity that may adopt the ordinance permitted under subsection (f) is:

(1) the county income tax council if the county option income tax is in effect on January 1 of the year in which an ordinance under this section is adopted;

(2) the county fiscal body if the county adjusted gross income tax is in effect on January 1 of the year in which an ordinance under this section is adopted; or

(3) the county income tax council or the county fiscal body, whichever acts first, for a county not covered by subdivision (1) or (2).

To adopt an ordinance under subsection (f), a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax. The entity that adopts the ordinance shall provide a certified copy of the ordinance to the department of local government finance before February 1.

(i) A taxpayer is not required to file an application to qualify for the deduction permitted under subsection (f).

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(j) The department of local government finance shall incorporate the deduction established in this section in the personal property return form to be used each year for filing under IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the form. If a taxpayer fails to enter the deduction on the form, the township assessor shall:

- (1) determine the amount of the deduction; and
- (2) within the period established in IC 6-1.1-16-1, issue a notice of assessment to the taxpayer that reflects the application of the deduction to the inventory assessment.

(k) The deduction established in this section must be applied to any inventory assessment made by:

- (1) an assessing official;
- (2) a county property tax board of appeals; or
- (3) the department of local government finance.

SECTION 6. IC 6-1.1-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for review under this section, including an informal preliminary conference with the county or township official referred to in this subsection; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must request in writing a preliminary conference with the county or township official referred to in subsection (a):

- (1) **within not later than** forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) **on or before** May 10 of that year;

whichever is later. ~~The county or township official referred to in subsection (a) shall notify the county auditor that the assessment is under appeal.~~ The preliminary conference required under this subsection is a prerequisite to a review by the county property tax assessment board of appeals under subsection (i).

(c) A change in an assessment made as a result of an appeal filed:

- (1) in the same year that notice of a change in the assessment is given to the taxpayer; and

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(2) after the time prescribed in subsection (b);
becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The written request for a preliminary conference that is required under subsection (b) must include the following information:

- (1) The name of the taxpayer.
- (2) The address and parcel or key number of the property.
- (3) The address and telephone number of the taxpayer.

(f) The county or township official referred to in subsection (a) shall, ~~within~~ **not later than** thirty (30) days after the receipt of a written request for a preliminary conference, attempt to hold a preliminary conference with the taxpayer to resolve as many issues as possible by:

- (1) discussing the specifics of the taxpayer's reassessment;
- (2) reviewing the taxpayer's property record card;
- (3) explaining to the taxpayer how the reassessment was determined;
- (4) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the reassessment;
- (5) noting and considering objections of the taxpayer;
- (6) considering all errors alleged by the taxpayer; and
- (7) otherwise educating the taxpayer about:
 - (A) the taxpayer's reassessment;
 - (B) the reassessment process; and
 - (C) the reassessment appeal process.

~~Within~~ **Not later than** ten (10) days after the conference, the county or township official referred to in subsection (a) shall forward to the county auditor and the county property tax assessment board of appeals the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The official and the taxpayer shall each retain a copy of the form for their records.

(g) The form submitted to the county property tax assessment board of appeals under subsection (f) must specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.

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- (3) A list of the reasons the taxpayer believes that the assessment determination by the county or township official referred to in subsection (a) is incorrect.
- (4) An indication of the agreement or disagreement by the official with each item listed under subdivision (3).
- (5) The reasons the official believes that the assessment determination is correct.
- (h) If after the conference there are no items listed on the form submitted to the county property tax assessment board of appeals under subsection (f) on which there is disagreement:
- (1) the county or township official referred to in subsection (a) shall give notice to the taxpayer, the county property tax assessment board of appeals, and the county assessor of the assessment in the amount agreed to by the taxpayer and the official; and
 - (2) the county property tax assessment board of appeals may reserve the right to change the assessment under IC 6-1.1-13.
- (i) If after the conference there are items listed in the form submitted under subsection (f) on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the board of appeals. Except as provided in subsections (k) and (l), the hearing must be held ~~within~~ **not later than** ninety (90) days ~~of~~ **after** the official's receipt of the taxpayer's written request for a preliminary conference under subsection (b). The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The county or township official referred to in subsection (a) must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the taxpayer's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within~~ **not later than** sixty (60) days ~~of~~ **after** the hearing, except as provided in subsections (k) and (l).
- (j) If the township assessor does not attempt to hold a preliminary conference, the taxpayer may file a request in writing with the county assessor for a hearing before the property tax assessment board of appeals. If the board determines that the county or township official referred to in subsection (a) did not attempt to hold a preliminary conference, the board shall hold a hearing. The taxpayer and the county or township official whose original determination is under review are parties to the proceeding before the board of appeals. The hearing must

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be held ~~within~~ **not later than** ninety (90) days ~~of~~ **after** the receipt by the board of appeals of the taxpayer's hearing request under this subsection. The requirements of subsection (i) with respect to:

- (1) participation in the hearing by the taxpayer and the township assessor or county assessor; and
- (2) the procedures to be followed by the county board;

apply to a hearing held under this subsection.

(k) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

- (1) hold its hearing ~~within~~ **not later than** one hundred eighty (180) days instead of ninety (90) days **after the filing of the petition;** and
- (2) have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within~~ **not later than** one hundred twenty (120) days after the hearing.

(l) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

- (1) hold its hearing ~~within~~ **not later than** one hundred eighty (180) days instead of ninety (90) days **after the filing of the petition;** and
- (2) have a written record of the hearing and prepare a written statement of findings and a decision on each item ~~within~~ **not later than** one hundred twenty (120) days after the hearing.

(m) The county property tax assessment board of appeals:

- (1) may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (i) or (j); and
- (2) may amend the form submitted under subsection (f) if the board determines that the amendment is warranted.

(n) Upon receiving a request for a preliminary conference under subsection (b), the county or township official referred to in subsection (a) shall notify the county auditor in writing that the assessment is under appeal. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the appellant's name and address, the assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal

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was filed, and the assessed value of the appealed items on the most recent assessment date. If the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

SECTION 7. IC 6-1.1-15-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) The county property tax assessment board of appeals may assess the tangible property in question.

(b) The county property tax assessment board of appeals shall, by mail, give notice of the date fixed for the hearing under ~~section 1~~ **section 1(i)** of this chapter to the taxpayer, ~~and to the township assessor, the county assessor, and the county auditor.~~ **With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:**

- (1) For those items on which there is disagreement, the assessed value of the appealed items:
 - (A) for the assessment date immediately preceding the assessment date for which the appeal was filed; and
 - (B) on the most recent assessment date.
- (2) A statement that a taxing unit receiving the notice from the county auditor under subsection (c) may:
 - (A) attend the hearing;
 - (B) offer testimony; and
 - (C) file an amicus curiae brief in the proceeding.

A taxing unit that receives a notice from the county auditor under subsection (c) is not a party to the appeal.

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the items on which there is disagreement constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

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~~(c)~~ (d) The department of local government finance shall prescribe a form for use by the county property tax assessment board of appeals in processing a review of an assessment determination. The department shall issue instructions for completion of the form. The form must require the county property tax assessment board of appeals to include a record of the hearing, findings on each item, and indicate agreement or disagreement with each item that is indicated on the form submitted by the taxpayer and the county or township official under section 1(f) of this chapter. The form must also require the county property tax assessment board of appeals to indicate the issues in dispute for each item and its reasons in support of its resolution of those issues.

~~(d)~~ (e) After the hearing the county property tax assessment board of appeals shall, by mail, give notice of its determination to the taxpayer, the township assessor, ~~and~~ the county assessor, ~~and the county auditor, and any taxing unit entitled to notice of the hearing under subsection (c).~~ **The county property tax assessment board of appeals** shall include with the notice copies of the forms completed under subsection ~~(c)~~: (d).

SECTION 8. IC 6-1.1-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A taxpayer may obtain a review by the Indiana board of a county property tax assessment board of appeals action with respect to the assessment of that taxpayer's tangible property if the county property tax assessment board of appeals' action requires the giving of notice to the taxpayer. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original determination under appeal under this section is a party to the review under this section to defend the determination. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the taxpayer's opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) A township assessor or county assessor may obtain a review by the Indiana board of any assessment which the township assessor or the county assessor has made, upon which the township assessor or the county assessor has passed, or which has been made over the township assessor's or the county assessor's protest.

(c) In order to obtain a review by the Indiana board under this section, the party must file a petition for review with the appropriate county assessor ~~within~~ **not later than** thirty (30) days after the notice of the county property tax assessment board of appeals action is given

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to the taxpayer.

(d) The Indiana board shall prescribe the form of the petition for review of an assessment determination by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the Indiana board. The form must require the petitioner to specify the following:

(1) If the county or township official held a preliminary conference under section 1(f) of this chapter, the items listed in section 1(g)(1) and 1(g)(2) of this chapter.

(2) The reasons why the petitioner believes that the assessment determination by the county property tax assessment board of appeals is erroneous.

(e) The county assessor shall transmit the petition for review to the Indiana board ~~within~~ **not later than** ten (10) days after it is filed.

(f) If a township assessor or a member of the county property tax assessment board of appeals files a petition for review under this section concerning the assessment of a taxpayer's property, the county assessor must send a copy of the petition to the taxpayer. **The county assessor shall transmit the petition for review to the Indiana board not later than ten (10) days after the petition is filed.**

SECTION 9. IC 6-1.1-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing **and a copy of the**

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petition filed under section 3 of this chapter, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. **With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:**

- (1) The assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed under section 1 of this chapter.**
- (2) The action of the county property tax assessment board of appeals with respect to the appealed items.**
- (3) A statement that a taxing unit receiving the notice from the county auditor under subsection (c) may:**
 - (A) attend the hearing; and**
 - (B) offer testimony.**

A taxing unit that receives a notice from the county auditor under subsection (c) is not a party to the appeal. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

~~(b)~~ **(d)** If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the

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Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

~~(c)~~ (e) The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

- (1) if the county or township official held a preliminary conference under section 1(f) of this chapter, indicated on the petition submitted under that section by the taxpayer and the official; and
- (2) included in the county property tax assessment board of appeals' findings, record, and determination under ~~section 2.1(c)~~ **section 2.1(d)** of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

~~(d)~~ (f) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, ~~and~~ the county auditor, **and the affected taxing units required to be notified under subsection (c):**

- (1) notice, by mail, of its final determination;
- (2) a copy of the form completed under subsection ~~(c)~~; (e); and
- (3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

~~(e)~~ (g) Except as provided in subsection ~~(f)~~; (h), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

~~(f)~~ (h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

~~(g)~~ (i) Except as provided in subsection ~~(h)~~; (j), the Indiana board shall make a determination not later than the later of:

- (1) ninety (90) days after the hearing; or
- (2) the date set in an extension order issued by the Indiana board.

~~(h)~~ (j) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:

- (1) one hundred eighty (180) days after the hearing; or

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(2) the date set in an extension order issued by the Indiana board.

~~(i)~~ (k) Except as provided in subsection ~~(n)~~, (p), the Indiana board may not extend the final determination date under subsection ~~(g)~~ (i) or ~~(h)~~ (j) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5(g) of this chapter.

~~(j)~~ (l) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

~~(k)~~ (m) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

~~(l)~~ (n) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

~~(m)~~ (o) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection ~~(l)~~ (n) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection ~~(l)~~: (n).

~~(n)~~ (p) The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

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(2) with the approval of the township assessor, represent the township assessor;
in a review proceeding under this section.

~~(o)~~ (q) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

- (1) order that a final determination under this subsection has no precedential value; or
- (2) specify a limited precedential value of a final determination under this subsection.

SECTION 10. IC 6-1.1-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Not later than fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing not later than fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

- (1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and
- (2) shall issue a final determination not later than ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

If ~~of~~ the Indiana board fails to make a final determination within the time allowed under subdivision (2), the entity that initiated the petition for rehearing may take no action and wait for the Indiana board to make a final determination or petition for judicial review under subsection (g).

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(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section is a party to the review under this section to defend the determination.

(c) Except as provided in subsection (g), to initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) not later than:

- (1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or
- (2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section ~~4(f)~~ **4(h)** or ~~4(g)~~ **4(i)** of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor, ~~or the elected township assessor, or an affected taxing unit. If an appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.~~

(f) If the county executive determines upon a request under this subsection to not appeal to the tax court:

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(1) the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget; and

(2) the petitioner may not be represented by the attorney general in an action described in subdivision (1).

(g) If the maximum time elapses for the Indiana board to give notice of its final determination under subsection (a) or section 4 of this chapter, a person may initiate a proceeding for judicial review by taking the action required by subsection (b) at any time after the maximum time elapses. If:

(1) a judicial proceeding is initiated under this subsection; and

(2) the Indiana board has not issued a determination;

the tax court shall determine the matter de novo.

SECTION 11. IC 6-1.1-15-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) If the assessment of tangible property is corrected by the department of local government finance or the county property tax assessment board of appeals under section 8 of this chapter, the owner of the property has a right to appeal the final determination of the corrected assessment to the Indiana board. The county executive also has a right to appeal the final determination of the reassessment by the department of local government finance or the county property tax assessment board of appeals but only upon request by the county assessor, ~~or the~~ elected township assessor, **or an affected taxing unit. If the appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.**

(b) An appeal under this section must be initiated in the manner prescribed in section 3 of this chapter or IC 6-1.5-5."

Delete pages 16 through 21.

Page 22, delete lines 1 through 23.

Page 25, between lines 15 and 16, begin a new line block indented and insert:

"(5) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, whether the building, structure, or public improvement will be made available to residents of the civil taxing unit for uses other than those planned by the civil taxing unit."

Page 25, line 16, delete "(5)" and insert **"(6)"**.

Page 27, between lines 31 and 32, begin a new line block indented

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and insert:

"(5) With respect to a proposed bond issue or lease agreement for the acquisition, construction, renovation, improvement, expansion, or use of a building, structure, or other public improvement, whether the building, structure, or public improvement will be made available to residents of the school corporation for uses other than those planned by the school corporation."

Page 27, line 32, delete "(5)" and insert "**(6)**".

Page 28, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 15. IC 6-1.1-20-3.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property **or tenants of residential property** within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property **or a tenant or tenants of residential property** within the political subdivision. **A petition or remonstrance signed by a tenant of residential property must be accompanied by an affidavit setting forth the name of the landlord and the property address of the tenant's leasehold.** Each signature on a petition must be dated and the date

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of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county auditor, deliver to the county auditor or the county auditor's designated printer the petition, ~~and~~ remonstrance, **and affidavit** forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property **or a tenant or tenants of residential property** within the political subdivision the number of petition or remonstrance forms requested by the owner or owners **or tenant or tenants**. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of real property **or tenants of residential property**;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;
- (D) govern the closing date for the petition and remonstrance period; and
- (E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners **or tenants of residential property**. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county auditor shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions, ~~and~~ remonstrances, **and affidavits** must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15)

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business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property **and the number of petitioners and remonstrators who are tenants of residential property** within the political subdivision.

(6) If a greater number of owners of real property **plus tenants of residential property** within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property **and tenants of residential property** within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 16. IC 6-1.1-20.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

Chapter 20.6. Property Tax Credits

Sec. 1. As used in this chapter:

- (1) "2002 liability" means the amount of property taxes imposed on a homestead first due and payable in 2002;
- (2) "2003 increase" means the amount by which the 2003 liability exceeds the 2002 liability;
- (3) "2003 liability" means the amount of property taxes

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imposed on a homestead first due and payable in 2003;
 (4) "fiscal body" has the meaning set forth in IC 36-1-2-6;
 (5) "homestead" has the meaning set forth in IC 6-1.1-20.9-1;
 (6) "property tax liability" means liability for the tax imposed on property under this article determined after application of all credits and deductions under this article, except a credit under this chapter, but does not include any interest or penalty imposed under this article; and
 (7) "qualifying homestead" means a homestead with respect to which:

(A) the 2003 increase:

(i) exceeds the 2002 liability; and

(ii) is at least five hundred dollars (\$500); and

(B) the person liable for the 2003 liability is the same person liable for the property taxes for the year in which a credit under this chapter applies.

Sec. 2. Subject to section 6 of this chapter:

(1) for property taxes first due and payable in 2005, 2006, 2007, and 2008, a county fiscal body may adopt an ordinance to:

(A) apply the credit under section 3 of this chapter; or

(B) apply the credit under section 4 of this chapter; and

(2) for property taxes first due and payable in a year that follows 2008, a county fiscal body may adopt an ordinance to apply the credit under section 3 of this chapter.

Sec. 3. If a credit is authorized under section 2(1)(A) or 2(2) of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's tangible property located in the county; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to the person's tangible property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the tangible property for property taxes first due and payable in that calendar year.

Sec. 4. If a credit is authorized under section 2(1)(B) of this chapter for property taxes first due and payable in a calendar year, a person is entitled to a credit against the person's property tax liability with respect to the person's qualifying homestead located

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in the county in the amount of the product of:

- (1) the 2003 increase; multiplied by
- (2) the percentage from the following table corresponding to the year in which property taxes are first due and payable:

YEAR	PERCENTAGE
2005	80%
2006	60%
2007	40%
2008	20%

Sec. 5. (a) A person is not required to file an application for the credit under this chapter. The county auditor shall:

- (1) identify property in the county eligible for a credit under this chapter; and
- (2) apply the credit.

(b) The county auditor and county treasurer may apply the credit under this chapter for property taxes first due and payable in 2005 by adjustment of the statement for the property tax installment due November 10, 2005.

Sec. 6. (a) A county fiscal body adopting an ordinance to apply a credit under this chapter must adopt the ordinance before July 1 of a calendar year to authorize the credit for property taxes first due and payable in the immediately succeeding calendar year.

(b) An ordinance adopted under section 2(1) of this chapter may identify which of the credits applies for one (1) or more of the years referred to in section 2(1) of this chapter.

(c) An ordinance adopted under section 2(2) of this chapter may apply the credit permitted in section 2(2) of this chapter for one (1) or more of the years referred to in section 2(2) of this chapter.

(d) A county fiscal body may amend an ordinance adopted under this chapter before July 1 of a year to change the application of the credits under this chapter for subsequent years.

Sec. 7. (a) A political subdivision may use any source of revenue available to the political subdivision to offset a revenue loss that would otherwise result from the application of credits under this chapter.

(b) A political subdivision may not appeal for an excessive levy in a year succeeding a year in which a credit under this chapter applies to make up for a revenue loss that results from the application of the credit."

Page 29, delete lines 1 through 7.

Page 29, line 12, delete "the information in" and insert "each political subdivision's total amount of expenditures per person

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during the immediately preceding calendar year, based on the political subdivision's population determined by the most recent federal decennial census;".

Page 29, delete line 13.

Page 29, line 14, delete "information" and insert "**report**".

Page 29, line 15, after "finance;" insert "**and**".

Page 29, line 19, delete "; and" and insert ".".

Page 29, delete lines 20 through 31.

Page 29, line 32, delete "(c)" and insert "**(b)**".

Page 29, line 34, delete "under subsection (b)".

Page 29, delete lines 36 through 42, begin a new paragraph and insert:

"SECTION 18. IC 6-1.5-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) After receiving a petition for review that is filed under a statute listed in section 1(a) of this chapter, the Indiana board shall, at its earliest opportunity:

(1) conduct a hearing; or

(2) cause a hearing to be conducted by an administrative law judge.

The Indiana board may determine to conduct the hearing under subdivision (1) on its own motion or on request of a party to the appeal.

(b) In its resolution of a petition, the Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

(c) The Indiana board shall give notice of the date fixed for the hearing **and send a copy of the petition filed under section 1 of this chapter**, by mail, to:

(1) the taxpayer;

(2) the department of local government finance; and

(3) the appropriate:

(A) township assessor;

(B) county assessor; and

(C) county auditor.

(d) With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notices required under subsection (c) must include the following:

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(1) The assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed under section 1 of this chapter.

(2) The action of the department of local government finance with respect to the appealed items.

(3) A statement that a taxing unit receiving the notice from the county auditor under subsection (e) may:

(A) attend the hearing;

(B) offer testimony; and

(C) file an amicus curiae brief in the proceeding.

A taxing unit that receives a notice from the county auditor under subsection (e) is not a party to the appeal.

(e) If, after receiving notice of a hearing under subsection (c), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(f) The Indiana board shall give the notices required under subsection (c) at least thirty (30) days before the day fixed for the hearing.

SECTION 19. IC 6-1.5-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. After the hearing, the Indiana board shall give the petitioner, the township assessor, the county assessor, the county auditor, **the affected taxing units required to be notified under section 2(e) of this chapter**, and the department of local government finance:

(1) notice, by mail, of its final determination, findings of fact, and conclusions of law; and

(2) notice of the procedures the petitioner or the department of local government finance must follow in order to obtain court review of the final determination of the Indiana board."

Page 30, delete lines 1 through 25.

Page 30, delete lines 37 through 38.

Page 30, line 39, delete "(6)" and insert "(5)".

Page 30, line 40, delete "(7)" and insert "(6)".

Page 30, line 42, delete "(8)" and insert "(7)".

Page 31, line 1, delete "(9)" and insert "(8)".

Page 32, line 37, strike "at least one dollar and fifty cents (\$1.50) of".

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Page 32, line 38, strike "for every three".

Page 32, line 39, strike "dollars (\$3) in credits provided under this chapter." and insert **"in an amount determined by the corporation."**.

Page 33, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 24. IC 6-3.1-13-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) The ~~board~~ corporation shall determine the amount and duration of a tax credit awarded under this chapter. The duration of the credit may not exceed ten (10) taxable years. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. In the case of a credit awarded for a project to create new jobs in Indiana, the credit amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which case the ~~excess shall be refunded to the taxpayer~~ **may carry the excess credit over for a period not to exceed the taxpayer's following two (2) taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or refund of any unused credit amount.**

(b) For state fiscal years 2004, ~~and 2005,~~ **2006, and 2007**, the aggregate amount of credits awarded under this chapter for projects to retain existing jobs in Indiana may not exceed five million dollars (\$5,000,000) per year.

SECTION 25. IC 6-3.1-13-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. In the case of a credit awarded for a project to create new jobs in Indiana, the ~~board~~ corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

- (1) A detailed description of the project that is the subject of the agreement.
- (2) The duration of the tax credit and the first taxable year for which the credit may be claimed.
- (3) The credit amount that will be allowed for each taxable year.
- (4) A requirement that the taxpayer shall maintain operations at the project location for at least two (2) ~~times the number of years as the term of following the last taxable year in which the applicant claims the tax credit or carries over an unused portion of the tax credit under section 18 of this chapter.~~ **A taxpayer is**

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subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.

(5) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee.

(6) A requirement that the taxpayer shall annually report to the ~~board~~ **corporation** the number of new employees who are performing jobs not previously performed by an employee, the new income tax revenue withheld in connection with the new employees, and any other information the director needs to perform the director's duties under this chapter.

(7) A requirement that the director is authorized to verify with the appropriate state agencies the amounts reported under subdivision (6), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

(8) A requirement that the taxpayer shall provide written notification to the director and the ~~board~~ **corporation** not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.

(9) Any other performance conditions that the ~~board~~ **corporation** determines are appropriate.

SECTION 26. IC 6-3.1-13-19.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19.5. (a) In the case of a credit awarded for a project to retain existing jobs in Indiana, the ~~board~~ **corporation** shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

(1) A detailed description of the business that is the subject of the agreement.

(2) The duration of the tax credit and the first taxable year for which the credit may be claimed.

(3) The credit amount that will be allowed for each taxable year.

(4) A requirement that the applicant shall maintain operations at the project location for at least two (2) ~~times the number of~~ years **as the term of following the last taxable year in which the applicant claims the tax credit or carries over an unused portion of the tax credit under section 18 of this chapter.** An applicant is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.

(5) A requirement that the applicant shall annually report the following to the ~~board~~ **corporation**:

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(A) The number of employees who are employed in Indiana by the applicant.

(B) The compensation (including benefits) paid to the applicant's employees in Indiana.

(C) The amount of the:

(i) facility improvements;

(ii) equipment and machinery upgrades, repairs, or retrofits; or

(iii) other direct business related investments, including training.

(6) A requirement that the applicant shall provide written notification to the director and the ~~board~~ **corporation** not more than thirty (30) days after the applicant makes or receives a proposal that would transfer the applicant's state tax liability obligations to a successor taxpayer.

(7) A requirement that the chief executive officer of the company applying for a credit under this chapter must verify under penalty of perjury that the disparity between projected costs of the applicant's project in Indiana compared with the costs for the project in a competing site is real and actual.

(8) Any other performance conditions that the ~~board~~ **corporation** determines are appropriate.

(b) An agreement between an applicant and the ~~board~~ **corporation** must be submitted to the budget committee for review and must be approved by the budget agency before an applicant is awarded a credit under this chapter for a project to retain existing jobs in Indiana."

Page 34, delete lines 7 through 42, begin a new paragraph and insert:
"SECTION 28. IC 6-3.1-26-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. ~~(a)~~ The total amount of a tax credit claimed **for a taxable year** under this chapter equals ~~thirty ten~~ percent ~~(30%)~~ **(10%)** of the amount of a qualified investment made by the taxpayer in Indiana **during that taxable year**.

~~(b) In the taxable year in which a taxpayer makes a qualified investment, the taxpayer may claim a credit under this chapter in an amount equal to the lesser of:~~

~~(1) thirty percent (30%) of the amount of the qualified investment;~~

~~or~~

~~(2) the taxpayer's state tax liability growth.~~

The taxpayer may carry forward any unused credit.

SECTION 29. IC 6-3.1-26-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) A taxpayer may carry forward an unused credit for not more than ~~nine (9)~~ **five (5)** consecutive taxable years beginning with the taxable year after the

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taxable year in which the taxpayer makes the qualified investment.

(b) The amount that a taxpayer may carry forward to a particular taxable year under this section equals the ~~lesser of the following:~~

~~(1) The taxpayer's state tax liability growth;~~

~~(2) The unused part of a credit allowed under this chapter.~~

(c) A taxpayer may:

(1) claim a tax credit under this chapter for a qualified investment; and

(2) carry forward a remainder for one (1) or more different qualified investments;

in the same taxable year.

(d) The total amount of each tax credit claimed under this chapter may not exceed ~~thirty ten percent (30%)~~ **(10%)** of the qualified investment for which the tax credit is claimed.

SECTION 30. IC 6-3.1-26-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 16. If a pass through entity does not have state tax liability ~~growth~~ against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

SECTION 31. IC 6-3.1-26-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. After receipt of an application, the ~~board corporation~~ may enter into an agreement with the applicant for a credit under this chapter if the ~~board corporation~~ determines that all the following conditions exist:

~~(1) The applicant has conducted business in Indiana for at least one (1) year immediately preceding the date the application is received;~~

~~(2) (1)~~ The applicant's project will raise the total earnings of employees of the applicant in Indiana.

~~(3) (2)~~ The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana.

~~(4) (3)~~ Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not raising the total earnings of employees in Indiana.

~~(5) (4)~~ Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

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~~(6)~~ (5) The credit is not prohibited by section 19 of this chapter.

~~(7)~~ (6) The average wage that will be paid by the taxpayer to its employees (excluding highly compensated employees) at the location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

SECTION 32. IC 6-3.5-7-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 31, 2005 (RETROACTIVE)]: Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after January 1 but before ~~April~~ **June** 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

- (1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;
- (2) must specify the calendar years to which the ordinance applies; and
- (3) must specify that the certified distribution must be used to provide for:
 - (A) uniformly applied increased homestead credits as provided in subsection (f); or
 - (B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection ~~(g)~~; **(i)**; and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

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(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the county resulting from a county deduction for inventory under IC 6-1.1-12-41.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(3)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(g) The increased percentage of homestead credit determined by the county auditor under subsection (f) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(3)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and
- (2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-41 in the taxing district for the immediately preceding year's assessment date bears to the total inventory assessed value deducted under IC 6-1.1-12-41 in the county for the immediately preceding year's assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation

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will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

(1) an ordinance under subsection (c); and

(2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. **However, notwithstanding subsection (c)(1), the ordinance must state that it first applies to certified distributions in the calendar year in which property taxes are initially affected by the deduction under IC 6-1.1-12-41.**

SECTION 33. IC 6-3.5-7-25.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 25.5. Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of homestead credit determined under section 25(h)(2) of this chapter if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county."**

Delete page 35.

Page 36, delete lines 1 through 16.

Page 38, line 14, delete "The" and insert "**Subject to the approval of the imposing entity, the**".

Page 40, delete lines 10 through 17.

Page 48, line 39, after "Federal" insert "**tax**".

Page 48, line 39, delete "numbers" and insert "**number**".

Page 49, line 27, delete "sales" and insert "**gross retail, use,**".

Page 49, delete lines 33 through 42.

Delete pages 50 through 65.

Page 66, delete lines 1 through 5.

Page 67, between lines 18 and 19, begin a new paragraph and insert: "SECTION 46. IC 36-7-32-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 6.5. As used in this chapter, "gross retail incremental amount" means the remainder of:**

(1) the aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the territory comprising a certified technology park during a state fiscal year; minus

(2) the gross retail base period amount;

as determined by the department of state revenue."

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Page 67, delete lines 40 through 41, begin a new paragraph and insert:

"SECTION 48. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 5-3-1-3; IC 6-3.1-26-10."

Page 68, line 5, delete "and".

Page 68, line 5, after "IC 6-3.1-13-17," insert "**IC 6-3.1-13-19, and IC 6-3.1-13-19.5,**".

Page 68, line 6, after "by the" insert "**Indiana**".

Page 68, line 7, delete "for a growing economy board" and insert "**corporation under IC 6-3.1-13**".

Page 68, line 8, after "2005." insert "**Credits awarded under IC 6-3.1-13 before July 1, 2005, remain subject to the provisions of IC 6-3.1-13 as in effect on June 30, 2005.**".

Page 68, between lines 16 and 17, begin a new paragraph and insert:
"(d) IC 6-3.1-26-14, IC 6-3.1-26-15, IC 6-3.1-26-16, and IC 6-3.1-26-18, all as amended by this act, apply only to credits awarded by the Indiana economic development corporation under IC 6-3.1-26 after June 30, 2005. Credits awarded under IC 6-3.1-26 before July 1, 2005, remain subject to the provisions of IC 6-3.1-26 as in effect on June 30, 2005."

Page 68, line 17, delete "(d)" and insert "(e)".

Page 68, line 23, delete "(e)" and insert "(f)".

Page 68, line 26, delete "(f)" and insert "(g)".

Page 68, between lines 27 and 28, begin a new paragraph and insert:
"SECTION 51. [EFFECTIVE UPON PASSAGE] (a) An ordinance that:

(1) is adopted under IC 6-1.1-12-41 or IC 6-3.5-7-25 after March 30, 2004, and before the passage of this act; and

(2) would have been valid if this act had been enacted before the time the ordinance was adopted;

shall be treated as valid to the same extent as if this act had been enacted before the ordinance was adopted.

(b) The department of local government finance may adopt interim rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to govern the determination of deductions, the processing of personal property tax returns, and the calculation of the assessed valuation of each taxpayer in cases in which:

(1) the personal property of the taxpayer is eligible for a deduction under IC 6-1.1-12-41, as amended by this act, as the result of the adoption of an ordinance under IC 6-1.1-12-41, as amended by this act, after March 30, 2004; and

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(2) the taxpayer did not take the deduction on the taxpayer's personal property tax return.

The rules may include special procedures and filing dates for filing an amended return.

(c) An interim rule adopted under subsection (b) expires on the earliest of the following:

(1) The date that the department of local government finance adopts an interim rule under subsection (b) to supersede a rule previously adopted under subsection (b).

(2) The date that the department of local government finance adopts a permanent rule under IC 4-22-2 to supersede a rule previously adopted under subsection (b).

(3) The date that the department of local government finance adopts under subsection (b) or IC 4-22-2 a repeal of a rule previously adopted under subsection (b).

(4) December 31, 2006."

Page 68, delete line 34.

Page 68, line 35, delete "(2) IC 6-3.5-7-25, as amended by this act;" and insert "**(1) IC 6-3.5-7-25.5, as added by this act;**".

Page 68, line 36, delete "(3)" and insert "(2)".

Page 69, between lines 19 and 20, begin a new paragraph and insert: "**SECTION 55. [EFFECTIVE JULY 1, 2005] IC 6-1.1-20-3.2, as amended by this act, does not apply to a petition and remonstrance procedure that is commenced before July 1, 2005.**

SECTION 56. [EFFECTIVE UPON PASSAGE] IC 6-1.1-20.6, as added by this act, applies only to property taxes first due and payable after December 31, 2004.

SECTION 57. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) For purposes of this SECTION:

(1) "fiscal body" has the meaning set forth in IC 36-1-2-6;

(2) "settlement amount" means an amount that:

(A) exceeds ten million dollars (\$10,000,000); and

(B) is received by the county auditor on behalf of a county and the political subdivisions in the county in 2005 or 2006 as a result of the settlement of one (1) or more cases before the Indiana tax court concerning the property tax assessments of tangible property that are the basis for determination of property taxes payable by a taxpayer in the county for one (1) or more calendar years that precede 2006; and

(3) "subsequent year's taxes" means the property taxes

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imposed by a political subdivision on tangible property in the political subdivision, other than property taxes imposed on tangible property for which a taxpayer that paid all or part of the settlement amount is liable, for property taxes first due and payable in the calendar year that immediately succeeds the calendar year in which the settlement amount is received.

(c) The fiscal body of a political subdivision may adopt an ordinance:

- (1) before September 1, 2005, to direct the county auditor to use the part of a settlement amount attributable to the political subdivision to apply a credit against the subsequent year's taxes for property taxes first due and payable in 2006; and
- (2) before September 1, 2006, to direct the county auditor to use the part of a settlement amount attributable to the political subdivision to apply a credit against the subsequent year's taxes for property taxes first due and payable in 2007.

The total amount of the credits applied under this subsection must equal the part of the settlement amount received by the political subdivision in the immediately preceding calendar year. The settlement amount received must be used to replace the amount of property tax revenue lost due to the allowance of the credit in the political subdivision. The county auditor shall retain the settlement amount and distribute the money to the political subdivisions in the county as though the money were property tax collections and in such a manner that a political subdivision does not suffer a net revenue loss due to the allowance of the credit under this subsection.

(d) A credit under subsection (c) applies as a percentage of the liability for property taxes before the application of the credits under IC 6-1.1-20.9 and IC 6-1.1-21. The percentage applicable in a taxing district that is attributable to a political subdivision in which the taxing district is located is determined under the last STEP of the following STEPS:

STEP ONE: Determine the total assessed value of tangible property (after the application of all applicable deductions under IC 6-1.1), other than tangible property for which a taxpayer that paid all or part of the settlement amount is liable for property taxes, in the political subdivision that is the basis for the subsequent year's taxes.

STEP TWO: Determine the total assessed value of tangible property (after the application of all applicable deductions under IC 6-1.1), other than tangible property for which a

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taxpayer that paid all or part of the settlement amount is liable for property taxes, in the taxing district that constitutes a part of the total assessed value that is the basis for the subsequent year's taxes.

STEP THREE: Determine the quotient of the total assessed value determined under STEP TWO divided by the total assessed value determined under STEP ONE.

STEP FOUR: Determine the product of:

- (A) the part of a settlement amount attributable to the political subdivision; multiplied by
- (B) the quotient determined in STEP THREE.

STEP FIVE: Determine the total property tax levy in the taxing district for the subsequent year's taxes, before the application of the credits under IC 6-1.1-20.9 and IC 6-1.1-21.

STEP SIX: Determine the quotient of:

- (A) the product determined under STEP FOUR; divided by
 - (B) the remainder determined under STEP FIVE;
- expressed as a percentage.

The total credit percentage applicable in a taxing district is the sum of the percentages determined under STEP SIX with respect to all political subdivisions in which the taxing district is located.

(e) If a fiscal body adopts an ordinance under subsection (c):

- (1) the part of the settlement amount attributable to the political subdivision is set aside in a separate fund of the political subdivision for the sole purpose of dedicating the money in the fund to providing credits under subsection (c);
- (2) money in the separate fund does not become part of the political subdivision's levy excess fund under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7; and
- (3) for the year in which the subsequent year's taxes are first due and payable, the total county tax levy under IC 6-1.1-21-2(g) is reduced by the part of the settlement amount attributable to the political subdivision that, notwithstanding subdivisions (1) and (2), would have been deposited in the political subdivision's levy excess fund under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7.

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(f) This SECTION expires January 1, 2008."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 496 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

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